

US demands \$29m for bugged embassy

WASHINGTON, Oct. 29, (Reuters): The United States has presented the Kremlin with a bill for \$29 million in damages for a new embassy in Moscow that Washington insists is riddled with Soviet listening devices and must be torn down.

US officials expect their claims for compensation to go even higher but it may not be easy to exact satisfaction from the Soviet Union, despite an era of improved relations.

Soviet spokesman Gennady Gerasimov in Moscow on Friday argued Washington has never proven the "bugging" charges and said the embassy rebuilding project would be a waste of money.

Aspect

"But there is another aspect. There is an anti-Soviet effort in such a decision," he told a news conference. "We can only say that unfortunately there is such an anti-Soviet campaign, a spy campaign, and we have nothing to do with it."

The United States has over publicly detailed the bugging problem, saying it did not want its Soviet adversaries to know how much it knows.

But a 1987 study by former CIA director James Schlesinger concluded the US government "consistently underestimated the determination and ability of Soviet intelligence organizations to penetrate" the new embassy at all phases of construction.

State Department spokeswoman Phyllis Oakley said the \$29 million was demanded for construction delays and, to a lesser extent, defective work on the new embassy.

Bush leads in most opinion polls

Vice-president hiding in cocoon: Dukakis

WASHINGTON, Oct. 29, (Reuters): Democrat Michael Dukakis, trailing George Bush badly in the contest for the presidency, accused Republican campaign managers yesterday of hiding the Vice-President in a cocoon.

Bush, who leads the Massachusetts governor by about 10 points in most opinion polls, emphasized some "positives" yesterday during a California leg of race that has seen charges from both sides of "negative campaigning" and unfair attacks.

Dukakis campaigned in Michigan needing to make up a percentage point per day by election day on Nov 8, and said the race was getting closer despite the polls.

"Folks, this race is tightening up all over this country," he told a jubilant crowd of 3,500 in Warren, Michigan.

"Mr Bush is out there in his little cocoon and they won't let him out," he said.

Trouble

John Sasso, vice chairman of the Dukakis campaign, made it clear the Democrats hoped to flush Bush out into a position where he might make a damaging mistake.

"If Bush has to come out of the cocoon he's in trouble," Sasso told reporters.

"He's going to have to come out and start answering questions. Think about it. If he won't come out now under any circumstances and answer questions,

what's he going to do as president of the United States?" Sasso said the Republican strategy of limited access to the candidate could backfire in the last stages of the campaign.

"When you're as cocooned up as he has been and not been willing to answer questions, and now all of a sudden you have to come out in the closing days, sometimes that's not the best way to do it," Sasso said.

Dukakis asked the crowd to work hard to get out the vote for the Democratic ticket. "We have 11 days to go and as all of you know, in politics 11 days is a lifetime," he said.

"Folks, the polls don't win an election. The people win an election. Everyone counts.



Bush

Your vote, your effort can be crucial in getting out the vote in this state and elsewhere," Dukakis said.

"They've run a campaign that's probably the most negative in history and I think they know why. They want us to forget the red ink that they've piled on the books of this nation.

"They want us to forget about a phony war against drugs run by the Vice-President of the United States."

Soviet shuttle launch postponed after malfunction

MOSCOW, Oct. 29, (Reuters): The Soviet Union space programme suffered a setback today after a system failure indefinitely delayed the maiden flight of the country's first reusable shuttle.

A last-minute system malfunction prevented the scheduled blast-off from the Baikonur Cosmodrome in Kazakhstan.

The unmanned Buran (snow-storm) shuttle, mounted piggy-back on the giant Energia booster rocket, had been due to lift off at 0323 GMT before the countdown was halted in the final stages, the official news

agency Tass reported.

It initially said the launch would be delayed for four hours but later announced an indefinite postponement.

"At the final pre-launch stage of the Energia booster rocket and orbital craft Buran there was a malfunction in the work of one of the launch systems," the agency said.

Command

"In connection with this, the command was automatically given for all operations to cease. Work is currently under way to

eliminate the problems that have arisen."

Tass said a new date and time for the launch would be announced later, suggesting that the flight could be delayed for some days rather than hours. Western experts estimate it could take three days to restart the countdown.

The postponement was the third setback in the Soviet space programme in recent weeks. Last month, a double malfunction in the landing system of a manned Soyuz-TM module made it miss its reentry point and left the crew marooned a day in space.

Soviets and Eskimos win praise

Whales swim out of ice trap

BARROW, Alaska, Oct. 29, (Reuters): Two California whales swam towards warm waters today at the end of a rescue mission which won praise for Eskimos and brought Soviet sailors Western gifts, including Pepsi Cola.

The grey whales, trapped since Oct 7 under pack ice near the Eskimo village of Barrow, entered the open sea yesterday and scientists said they were confident the 35-foot (10-metre) mammals were still fit enough to reach warm waters of Mexico.

California grey whales are out accustomed to ice and normally are out of the coldest Arctic reaches by mid-September.

The juvenile whales owe their freedom largely to simple ice-breaking techniques by the local Inuit Eskimos and two Soviet icebreakers which smashed through a ice ridge blocking the mammals' path to clear water.

Before that, US scientists had tried several rescue plans that ultimately failed.

For several days while the Eskimos kept the whales alive by working round-the-clock to cut air holes in the ice, VECO International, an oil industry service company that helped develop oil resources in the far north, tried to move a 185-tonne ice-breaking barge some 230 miles to Barrow.

The barge kept getting stuck in the shallow waters of Prudhoe Bay and the idea was abandoned. "Everything we're doing, we're doing for the first time," National Guard colonel Tom Carroll told reporters.

As the barge plan began failing, the National Guard decided to try crashing through the ice with a 14,000-pound (6,500-kg) concrete block attached to a cable hanging from a helicopter.

Scientists discovered that the block could punch large holes in the ice, but the holes were left filled with ice chunks that quickly froze solid again.

The Eskimos, equipped with two dozen chainsaws donated by an Oregon Company that manufactures chains for cutting timber, began cutting a series of breathing holes in a path stretching towards the unfrozen sea.

By the time the whales were freed, the natives had cut nearly 150 holes, each about the size of a small swimming pool, and lured the whales from one to the next.

Some Eskimo leaders argued that the scientists should step aside and let them run the holes all the way to the sea.

VECO then brought into play a second piece of technology, a unique 11-tonne ice-breaker that resembled a truck mounted on two large pontoons with screw-like treads. The military flew it to

Barrow in a C-5A transport plane, the largest aircraft ever to land at Barrow airport.

Debris

The machine could chop through the ice. But it also left too much debris in the channel it cut.

While VECO went to work constructing a sled it said would push the debris under ice on each side of the channel, the United States announced it had asked the Soviet Union to send an icebreaker and that Moscow had agreed.

Hours after two Soviet icebreakers arrived, they had successfully cut through a ridge that contained ice blocks as large as a house and ploughed a passageway close to the whales.

The whales quickly swam a little more than one mile up the channel, then balked at going farther. Overnight in sub-zero temperatures, the channel froze shut. The Eskimos resumed cutting breathing holes.

The Russians agreed to a US request to take another run at the ice. This time they came within 15 yards (metres) of the whales.

At daylight yesterday the mammals swam into the new channel and headed down the coast of Alaska towards warmer waters, said Ron Morris, coordinator of the rescue effort for the National Oceanic and Atmospheric Administration.

87 detained in Prague

Police use massive force to break up protest

PRAGUE, Czechoslovakia, Oct. 29, (AP): Witnesses today said a protest rally yesterday was much bigger than reported by the government and condemned what they called the worst use of massive police force since 1969.

Riot police armed with batons and shields fired water cannon and tear gas into a crowd of about 5,000 people who defied a ban on the independent rally called to mark the 70th anniversary of Czechoslovakia's independence.

Another rally was called by an independent peace group and an unofficial youth group for this afternoon but it was not clear if it would take place after yesterday's chaos of police force and people.

Authorities said 87 people were detained after yesterday's demonstration. An estimated 70 dissidents were rounded up in police raids on Thursday.

Protesters customarily are held for 48 hours by police. At least one man, Charter 77 activist Václav Benda, was released and immediately rearrested, his wife said.

Witnesses today condemned the police behaviour and reported that the protest rally was out

confined to Wenceslas Square, where Western reporters saw hundreds of helmeted riot police clear a crowd estimated at 5,000 people.

Several hundred demonstrators were forced off the square by water cannon and police cordons. But they then marched to the old town square about a kilometre (half mile) away, witnesses said.

Flowers

There, a document from the Charter 77 human rights movement was read before haphazardly armed police and special troops from the Ministry of the Interior again moved in with water cannon and armoured vehicles, according to an anonymous witness.

A statement read by Anna Sabatova, a Charter 77 signatory and leading activist with Vons, the committee for the unjustly prosecuted.

Sabatova also reported 300 to 400 people rallied in the Moravian capital of Brno yesterday. The crowd gathered in Brno's Freedom Square, lit candles, handed out flowers and sang the national anthem before being peacefully dispersed by police, she said.

Syria wants no clashes with Lebanese ...

(Continued from Page 1)

ephemeral interests, those Lebanese elements ignore the fact that Syria is the brother most keen to preserve Lebanon," Assad said.

The official Iranian news agency IRNA today quoted Assad as telling visiting Iranian Foreign Minister Ali Akbar Velayati that Islamic and "national" forces in Lebanon needed to unite.

In Beirut, political sources said today that Muslim and Christian rivals are girding for possible war but diplomacy might still bring a peaceful settlement to the country's crisis.

Options

"Military and peaceful options are moving in parallel," said one source. "There is a 50-50 chance between the guns and diplomacy."

A Muslim militia source said today that the Syrian Nationalist Social Party (SNSP), a staunchly pro-Syrian Lebanese militia, had reinforced its positions facing Christian forces in the north.

Another Muslim security source said pro-Syrian Palestinian guerrillas and the Druse Progressive Socialist Party (PSP) in the Shouf mountains south-east of Beirut had strengthened their positions facing the Army

garrison town of Souk Al Gharh. Lebanese Forces militia leader Samir Geagea, said he and Aoun between them had achieved relative military parity with Syria.

An assessment of military strengths in Lebanon suggests rough parity in numbers and firepower, although diplomats and strategic analysts said morale and political commitment were crucial in weighing the balance of power.

Summit ruled out

TUNIS, Oct. 29, (Reuters): The Arab League appears likely to hold an urgent meeting over the political crisis in Lebanon but an emergency summit of Arab heads of state is ruled out, Arab League diplomatic sources said today.

They said the League's committee of Arab countries could convene shortly to meet all parties to the Lebanese conflict in an attempt to prevent the break-up of the country along community and religious lines.

"The essential thing is to be efficient and to help Lebanon equip itself with executive and legislative powers as a prelude to wider reform," an Arab diplomat said.

Palestinians stage strikes

(Continued from Page 1)

the West Bank town of Jenin.

An Army spokesman confirmed the Mughazzi report and said a Palestinian was shot and wounded in Rafah, in the Gaza Strip.

In Jerusalem, paramilitary border police fired tear gas to disperse Palestinian youths who set up barricades in the Arab Jabal Mugher district, a police spokesman said.

The Arab Journalists Association (AJA) issued a statement condemning yesterday's arrest of seven Palestinian reporters and calling for United Nations intervention.

The seven were among at least 30 Arabs rounded up in a swoop apparently designed to pre-empt expected Palestinian protests ahead of Israeli elections on Nov 1.

AJA head Radwan Abu Ayyash said that 50 Palestinian journalists were now in prison.

Iran refuses to bow to Iraq ...

(Continued from Page 1)

said would be held after separate consultations by both sides with Perez de Cuellar, would test how serious Iran was about achieving permanent peace.

The daily accused Iran of "sowing mines and putting obstacles" in the path of genuine peace.

Iran said it was trying its best to resolve problems in the Gulf and had ordered its mine-sweepers to finish clearing the strategic waterway by the end of the year.

Issues

Mahallati pointed out, however, that even if both sides agreed to clear the Strait - dogged with mines, sunk ships, Iranian and Iraqi oil tankers - the channel in the post-war era.

Mahallati said other sticky issues at the Geneva talks would be the return of some "one million refugees, some of whom are in Iranian refugee camps."

He also said Iran was "ready to accept a logical link between withdrawal of troops and a suspension of our right to search ships in the Gulf."

Iran said it retains the right to board and search ships in the Gulf it suspects of carrying arms to Iraq until a permanent peace treaty has been signed, but allowed Iraqi freighters to pass through the Strait of Hormuz, the strategic mouth of the waterway, without incident.

Perez de Cuellar has left New York for Geneva to conduct the talks.

Meanwhile, three aides to US senators arrived in Baghdad today to discuss strains in relations caused by charges of Iraqi use of chemical weapons, Western diplomats said.

Gang fights increase in Moscow

MOSCOW, Oct. 29, (Reuters): Street fighting between rival youth gangs has risen sharply in Moscow, with nearly 30 clashes involving about 4,000 people since the start of the year, Moscow's Pravda said today.

Law enforcement officials said that while the police had so far contained the fights, lessons should be learned from other Soviet cities, the city's Communist Party newspaper said.

"The lessons of youth upheavals in Kazan, Mordovsk, Alapayevsk, force us to assess the situation in Moscow too as near critical," it quoted prosecutor L. Baranovskiy saying.

Recent Soviet press reports have described increasing violence in many Soviet towns where gangs of youths wielding knives, iron bars and homemade explosives roam the streets, clashing with each other and challenging the police.

Artist dies

FLORENCE, Italy, Oct. 29, (Reuters): Pietro Annigoni, the Italian artist whose portraits of heads of state and religious figures made him world famous, died in Florence yesterday, a hospital spokesman said. He was 78.

Annigoni had emergency surgery in May for a perforated ulcer but failed to recover fully. He was readmitted to the Careggi Hospital in Florence on Thursday, the spokesman said.

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TOYOTA

Japanese-owned vessels back in northern Gulf

From Jadranka Porter, in Tokyo

TOKYO: Japanese-owned vessels are back in the northern reaches of the Gulf for the first time since April 1984 when the threat of the tanker war scared them away from ports in Kuwait, Khafji and northern Iran, according to officials at Japan's Ministry of Trade and Industry and the Japan Seamen's Union.

Japan's shipowners wasted no time in sending their tankers to the oil loading terminals in northern part of the waterway following an agreement with the Japan's Seamen's Union on Oct 25, some nine weeks after the ceasefire in the Iraq-Iran war.

Their carriers are currently loading crude at Iran's Kharg oil terminal and vessels are on the way to Kuwait and Khafji, the officials said.

Safe
But not all of the Gulf is considered safe for navigation, said Masahiko Nakamura, the director of the union's international affairs department. According to the Oct 25 agreement between the Shipowners' Association and

the union the Japanese-owned vessels will not venture beyond 29.3 degrees north of the equator. This means they will not be calling on Iran's port of Bandar Khomeini and Khoramshahr for some time yet, Nakamura added.

"Although we don't expect hostile actions in the northernmost parts of the Gulf, there are too many shipwrecks there to consider that part of the waterways safe for navigation," Nakamura told the Arab Times in Tokyo.

Attacks

Throughout the eight-year Gulf war the Japanese-owned tankers plied the Gulf waters but in early 1984 the Japanese limited their operations to the southern Gulf.

Attacks on neutral shipping in the waterway claimed one Japanese life. A Japanese sailor was killed in an attack on a Kuwaiti container vessel Al Manakh in February 1985.

Few Japanese-flagged ships came under attack during the tanker war but more than a dozen Japanese-owned vessels flying foreign flags and manned by Japanese crews were assailed.

On several occasions following such attacks Japanese vessels stayed out of the waterway for several days. The decision to keep out of the Gulf for brief periods was made jointly by the Shipowners' Association and the Seamen's Union.

Monitoring

"It was in the interest of both parties not to risk lives, cargo and vessels," said Nakamura.

A consultative body consisting of government, shipowners and seamen's representatives was monitoring the situation in the Gulf and recommending safety measures throughout the war. The body recommended that Japanese vessels sail in convoys and paint a large Japanese flag on the hull to ward off attacks.

Although most of the attacks on Japanese-owned vessels were carried out by the Iranians, the Japanese government refrained from blaming the incidents on Tehran.

Inquiries and complaints were usually lodged both in Baghdad and Tehran, but both belligerents always denied responsibility.

Fashion Fair begins in Mishrif

By Lima Al Khalafawi

KUWAIT Fashion Fair 1988 was opened yesterday by the Undersecretary of the Ministry of Commerce and Industry Abdullah Al Hamad at the international fairground in Mishrif.

The Fashion Fair offers a large selection of fashion products at the best available prices. The fair is being held again this year because of the positive response from visitors and shop owners at last year's exhibition.

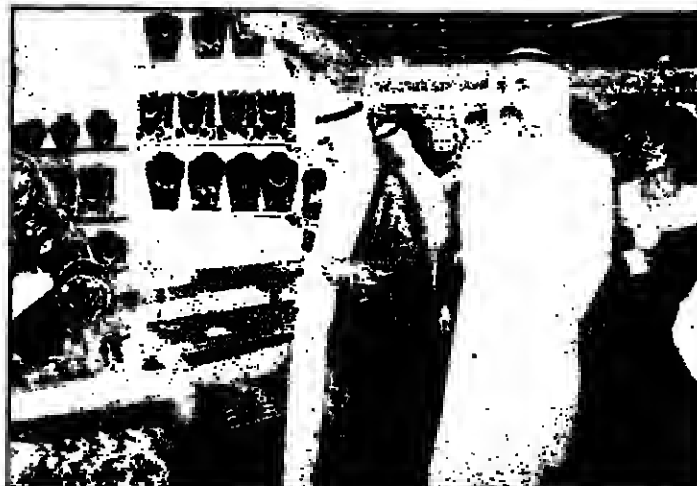
One hundred and fourteen owners of local boutiques and fashion shops are showing their best products at this year's fair. They are offering 50 per cent discounts on all products at the fairground.

The wide range of the latest fashion products includes ladies wear, casual wear, sports wear, eye glasses, fashion jewellery, accessories, children's wear and folkloric Arabian dresses.

Signatures boutique owner Jihad Al Khalil said the exhibitions attract more people to her boutique. She said she is already planning to participate in next year's fair.

The fair is being organised and managed by Al Shera'a International.

The fair will continue until Friday from 9 am to 12.30 pm and from 4 to 8.30 pm at the National Hall at the Mishrif fairground.



Abdullah Al Hamad, Undersecretary of the Ministry of Commerce and Industry, views a display at the Kuwait Fashion Fair.



Two participants are shown at the Fashion Fair.

Kuwait hosts seminar on highway maintenance

By Lima Al Khalafawi

THE First Highway Maintenance Management Seminar in the Gulf was held yesterday at the SAS Hotel.

The seminar, organised by the Kuwaiti Engineers Office (KEO), will continue until Monday.

KEO managing director Abdul Aziz Sultan gave the opening address and welcomed the seminar's participants.

The seminar is designed to raise awareness of effective highway management maintenance programmes for top executives in the field.

Performance

The three-day seminar is being attended by professional highway management maintenance experts from Bergstrahl-Shaw-Newman (BSN) of Gaithersburg, Maryland.

Discussions will centre on ways to ensure that highways are properly maintained.

Management systems do not make decisions or replace managers, they only provide managers with information to base decisions on, said Robert New-

man, senior vice-president of BSN.

Newman discussed performance budgeting, activity definition and accomplishments, evaluations and control.

Kuwait has a good highway system, but many of its highways are near the end of their design life, he said. Maintenance of these roadways will become a problem as they get older.

Newman also discussed a systematic process for planning, budgeting, scheduling and monitoring the performance of maintenance activities such as cleaning drains and culverts, patching pavements, replacing signs and removing sand.

Training

Maintenance management systems must be adapted to fit Kuwait's needs, he said.

Ed Shaw, president of BSN, discussed organising maintenance management and performance standards.

He also discussed training of supervisory personnel, maintenance employees and equipment operators.

Many of the suggested training techniques make use of interactive computers and videos, he said.

The seminar is being attended by officials from the Ministry of Public Works and the Ministry of Planning as well as representatives from the Public Works Department in Abu Dhabi and the Municipality of Dubai.

Two arrested for selling drugs, liquor

DETECTIVES of the capital governorate arrested two men yesterday for trading in narcotics and liquor.

A Syrian national identified as Mahmoud A was first arrested for possessing drugs. He confessed to having purchased the drugs from the second suspect identified as Joseph R, a Lebanese national.

A search of the second suspect's home revealed a can containing cocaine and seven small bottles of heroin. Police also found a small brown bag on the roof of the home. The suspect said he obtained the drugs from his sister in Lebanon.

The two men and the contraband have been referred to authorities for further investigations.

Sheikh Sabah meets with PLO official

KUWAIT, Oct 29, (KUNA): Deputy Premier and Foreign Minister Sheikh Sabah Al Ahmed today met the PLO's Fatah Central Committee member Khalid Al Hassan.

Al Hassan told reporters here that the meeting reviewed recent Palestinian diplomatic moves and PLO Chairman Yasser Arafat's visit to the European Parliament headquarters in Strasbourg.

He said his discussions with Sheikh Sabah also touched on the uprising of the heroic Palestinian people in the occupied Arab territories and increasing Israeli suppression.

Iranian man commits suicide

A 35-YEAR-OLD Iranian man committed suicide by hanging himself with a rope tied to a ceiling fan in his room at Fintas three days ago.

His friend told police that the victim had earlier received a letter from his family telling him that his two brothers and mother were killed in mysterious circumstances.

Klibi in Kuwait to discuss Lebanon

KUWAIT, Oct 29, (Agencies): Arab League Secretary-General Chadi Al Klibi arrived in Kuwait today for talks with HH the Amir on Arab action to solve the Lebanese crisis, the Kuwait News Agency (KUNA) reported.

Klibi, on a Gulf tour, will discuss a United Arab Emirates (UAE) call for an Arab summit on Lebanon, which has had two rival governments and no head of state for more than a month.

An Arab diplomat said Gulf Arab states support the idea of a summit but want a prior meeting of Arab foreign ministers to ensure its success.

Klibi called on the international community to live up to its responsibilities regarding Israeli attacks in southern Lebanon.

Arab-born US businessman visits Kuwait

KUWAIT, Oct 29, (KUNA): The adviser at the Amiri Diwan Abdulaziz Hussein today received Arab-born American businessman Morcos Na'mouj.

Discussions focused on Zionist activities in the United States and the Zionist information media attempts to contain the American public's positive response to the heroic Palestinian uprising in the occupied territories.

Lebanon

"The concern of our countries toward the constitutional crisis in Lebanon and their keenness on continuation of the uprising in the occupied Arab lands should not distract them from paying attention to the continued Israeli aggression in southern Lebanon," Klibi told KUNA.

"Israel takes the opportunity of the world opinion preoccupation with those two issues to intensify its aggression on Sidon, targeting positions of Lebanese resistance and some PLO factions," he added.

He outlined that Israel's preoccupation with its election campaign should not minimise the dangers of the aggression as implied by some quarters which are supposed to be well acquainted with the Israeli intentions.

"For this reason specifically I expect from Israel the worst probabilities," Klibi warned.

"There is no way for our countries to keep silent and the international community should shoulder its responsibilities in this connection, especially in light of the presidential vacuum in Lebanon which I consider as an encouraging factor for Israel to continue its aggression," Klibi said.

Court upholds sentence in rape case

THE Court of Higher Appeal upheld a sentence of 10 years in jail with hard labour to be followed by deportation imposed on a man charged with the forcible rape of his married cousin.

The court was told that the plaintiff was preparing to leave for work shortly after her husband had left when the defendant, her aunt's son, visited her in the morning claiming that he had to give her some important documents. The defendant had earlier offered to help her in obtaining a driving licence.

In loving memory of



Edward Leo D'Souza
Died 31-10-87

First anniversary requiem mass on Mon. Oct 31, 1988 at Our Lady of Arabia Church, Ahmedi at 8:00 p.m. Inserted by children Robert, Michael, Emily and Lizzie, in-laws Anthony, Charles, Alois and Maria and grandchildren. Relatives, friends and well-wishers kindly accept this as the only intimation.

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Mother-in-law of Monica & Simon
Grandmother of Valencia & Simons

South Yemen leader arrives in Muscat to end 20-year rift

MUSCAT, Oct 29, (Agencies): South Yemen's President, Haider Al Attas, arrived in Muscat today amid tight security for a four-day official visit aimed at ending a 20-year rift with Oman.

Al Attas' visit is the first to the pro-Western sultanate by a leader of the Aden government.

Crown
Al Attas was welcomed by Oman's ruler, Sultan Qaboos, and a high-level government delegation with whom the Yemenis are scheduled to start official talks at Al Alam Palace in Muscat later today.

Al Attas said in an arrival statement that they will discuss

ways of boosting "bilateral ties and fruitful co-operation."

He stressed that he is confident his visit will "mark the opening of a new page of joint co-operation between the two countries."

Oman and South Yemen, along with North Yemen, lie on the southernmost tip of the Arabian peninsula. The Aden leadership is seeking to improve relations with its neighbours, despite ideological differences.

Patching up relations with Muscat world crown efforts to end two decades of political and border tension that began when Aden supported rebels in Oman's southern Dhofar region against Qaboos' father, Sultan Sa'eed.

Qaboos, with British and Iranian help, crushed the rebels in 1975 after a 10-year campaign.

In the past, Oman, which has a defence accord with the United States for the use of its bases in case of an emergency, has accused South Yemen of being a Soviet base.

The rapprochement was fostered by the neighbouring conservative Arab governments of the peninsula.

Al Attas said his talks will focus on issues of interest to both

countries and others in the region to promote co-operation, security and stability.

He said his visit came amid "better international understanding, when world tension is being replaced by a new dawn of co-operation between countries of different political and social systems, who endeavour to solve their differences and regional and international conflicts by peaceful means."

The talks will also cover the Palestinian uprising in the Israeli-occupied West Bank and Gaza Strip, with the aim of backing "the struggle of the Palestinian people to gain their genuine rights, including an independent state under the leadership of the Palestine Liberation Organisation, the sole representative of the Palestinian people," he added.

The Aden delegation included Deputy Prime Minister and Interior Minister Brig. Saleh Al Silvi, Fisheries Minister Salim Jubran, Foreign Minister Abdel Aziz Al Dali, Deputy State Security Minister Hassan Ali, presidential military adviser Mussallam Al Menhalli, and South Yemen's Ambassador to Oman, Mohammed Saad.

BAHRAIN DIGEST

Carnival to mark national day

A carnival will be held on Dec 9 as part of the celebrations to mark Bahrain's National Day and the forthcoming GCC summit.

So far, about 40 companies and local ministries have indicated that they will have floats in the carnival.

The carnival will be similar to the one organised two years ago as part of the celebrations to mark the Silver Jubilee of HH the Amir Sheikh Issa Bin Salman Al Khalifa's accession to the throne.

Between 50,000 and 60,000 people turned out to watch that parade. This year's carnival is expected to run on a GCC theme. Organisers are planning other attractions to make it a big family event.

"The response has been very encouraging, but there is still time for companies and organisations to enter," the organiser said.

Delegates to attend NRI seminar

ABOUT 50 delegates from Bahrain are expected to attend the second Gulf Non-Resident Indians' (NRI) seminar in Dubai in December.

The seminar is being organised by the Overseas Indian Economic Forum, UAE, on Dec 14 and 15 at the Hyatt Regency Hotel.

The first Gulf NRI seminar was held in Bahrain in March this year. According to Nevin Meghachi, president of the Bahrain group, the Bahrain NRI Investors Group is fully supporting the Dubai meeting following the success of the first seminar.

"We have an excellent response from our members in Bahrain and we hope to make a delegation of 40-50 members," he said.

The theme of the seminar is the role of NRIs in development and industry and exports. Bahrain group will present a paper on Indian exports.

Bahrain hopes to win back fair

BAHRAIN hopes to win back a major fashion/trade fair, once the island's new BDS 7.7 million exhibition centre is completed.

The Motexno and Childexpo show was held at the Diplomat Hotel for some years before being switched to the UAE.

This year's event will be at the Dubai International Trade Centre next week, but the Bahrain-based Arabian Exhibition Management believe the event could return to the island.

Chief Executive Brendan Jennings said: "We will work very hard to get Motexno back here, when the new exhibition centre at Sanabis is ready."

New cameras introduced

NEW range of S-Series Kodak cameras was introduced in Bahrain this week.

Ashraf Brothers — one of the leading department stores on the island — hosted a reception at the Sheraton Hotel to introduce the new cameras.

A demonstration of the Kodak cameras was given at the reception which included Kodak's local retailers and dealers.

Kodak's area business manager and business development manager based in Dubai presented five new S-Series Kodak cameras.

The Ashrafs are the exclusive distributors of Kodak cameras and accessories in Bahrain.

Kuwait calls for disarmament

UNITED NATIONS, Oct 29, (KUNA): Kuwait yesterday called on the international community to reach agreements on disarmament since international détente has had favourable effects on regional conflicts.

"For the UN and for the multilateral negotiating fora, international and regional, this is an opportunity to explore their great potential and to implement the noble purposes and principles of the charter," Kuwaiti Representative Gassan Youssef Al Zawawi told a special meeting of the UN political and Security Committee in observance of disarmament week.

Speaking also on behalf of the Asian group which Kuwait currently chairs, Al Zawawi said that now more than ever there is a need to adopt real disarmament measures for economic, environmental, political and other reasons, including the necessity to save mankind from nuclear annihilation.

He said the recent Soviet involvement in international efforts to save three whales in Alaska from dying under the ice is an indication of the international climate, especially as regards the two superpowers.

"This international co-opera-

Two sentenced for adultery

THE Criminal Court sentenced a man charged with adultery to four years in jail with hard labour and his accomplice to six months in prison. Both are to be deported on completion of their jail terms.

The court was told that when the employer returned home from the Safiyya clinic she found a man with her maid in her own bedroom.

The man tried to escape after pushing the employer aside, but she alerted the building guard who managed to catch the suspect as he was leaving the building.

555-FIRST CLASS VALUE

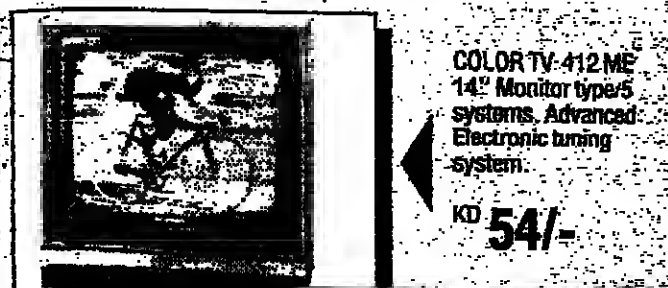


Government Warning: Smoking is a major cause of cancer and diseases of the lungs, heart and arteries.

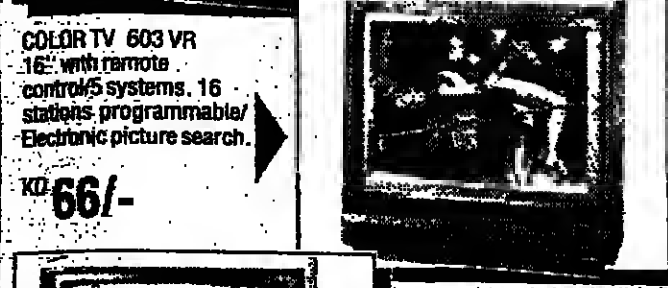
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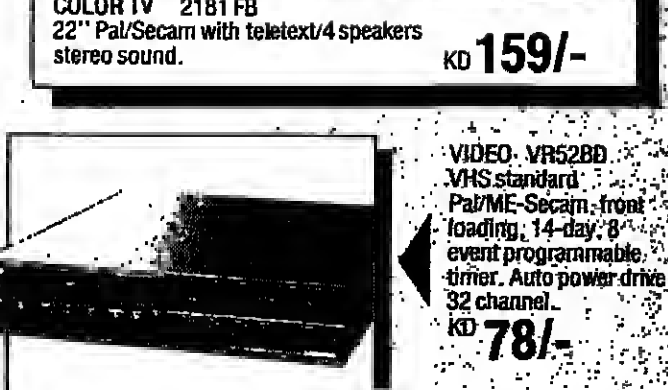
COLOR TV 2011 VR
20" CTV with Remote
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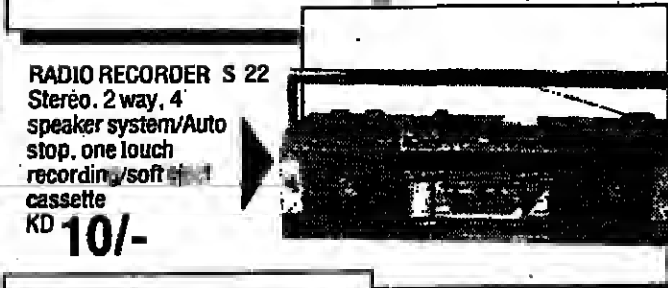
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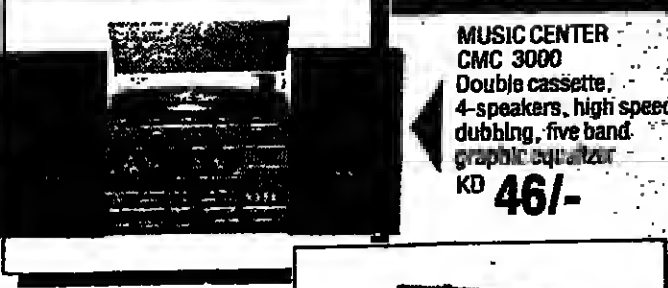
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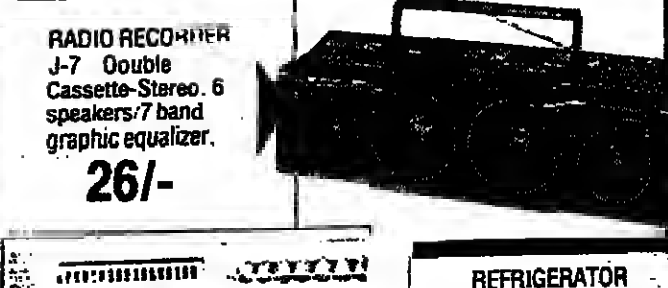
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event programmable
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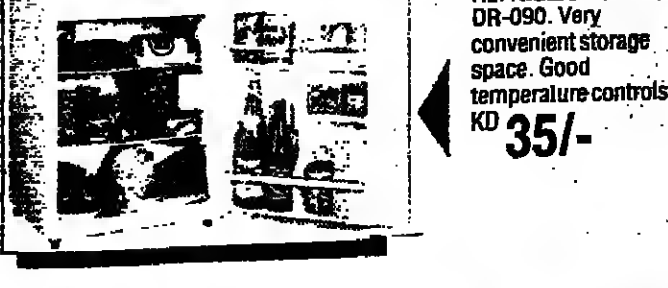
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dubbing, five band
graphic equalizer
KD 46/-



RADIO RECORDER
J-7 Double
Cassette-Stereo, 6
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graphic equalizer.
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space. Good
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Separate washer and
spin dryer, 2
position washing action
selector.
KD 33/-



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J-7 Double
Cassette-Stereo, 6
speakers/7 band
graphic equalizer.
26/-

EVENTS

TELEVISION PROGRAMMES

KTV 1

MORNING

9.00 Holy Quran
9.10 Good Morning
9.15 Dabdoob AI
Musiqar: cartoon
9.45 World News via
Satellite
10.00 Abn AI Fuloos: local
serial
10.45 Good Morning
11.00 Wa Yabqa AI Amal:
daily Arabic serial,
starring Abeer Essa,
Mohammad Qab-
bani, Shafiqah Tall,
Tayseer Attiya
12.00 News Summary
12.15 Believe It Or Not
1.00 News Summary
1.05 Holy Quran/Closed-
own

EVENING

4.00 Holy Quran
4.15 World News via
Satellite
4.45 Ra'ad AI Amal: car-
toons
5.15 Tum Tek and Chil-
dren
5.30 Eureka
6.00 La Ilaha Illallah: his-
torical serial.
7.00 News Summary
7.30 Variety Show
7.45 Diwanat Shuara AI
Nabat: poetry ses-
sion
8.30 Good Evening
9.00 News in Arabic
9.55 Anfuwan AI Ashiya:
Arabic serial.
10.45 Late Night Variety
Show.
12.00 News Summary
12.05 World News via
Satellite

KTV 2

MORNING

3.30 Holy Quran
3.39 Cartoons
3.55 Local Football: AI
Shaab Club (Iraq) vs.
Kazema Club
(Kuwait)
6.10 Thundercats: car-
toons
6.30 Fast Forward: a look
at various means of
transport
7.00 Steel Riders: Lee and
Mike tap the govern-
ment computer for
information and
Sandra is lured into
trouble
7.30 Challenge: "Africa."
Wildlife on the
African continent.
8.00 News in English
8.40 The Flying Doctors:
a group of hippies are
tonight's uowelcome
visitors to the Aus-
tralian town in the
outback
9.30 Hooperman.
10.00 She is the Sheriff:
Hildy gives shelter to
a homeless boy who
persuades her soo to
leave home.
10.30 Best-Seller: "The
Gambler."
11.30 News in Brief
11.40 Magazine: D'Ac-
tualite/Holy Quran/
Closedown

EVENING

4.00 Holy Quran
4.15 World News via
Satellite
4.45 Ra'ad AI Amal: car-
toons
5.15 Tum Tek and Chil-
dren
5.30 Eureka
6.00 La Ilaha Illallah: his-
torical serial.
7.00 News Summary
7.30 Variety Show
7.45 Diwanat Shuara AI
Nabat: poetry ses-
sion
8.30 Good Evening
9.00 News in Arabic
9.55 Anfuwan AI Ashiya:
Arabic serial.
10.45 Late Night Variety
Show.
12.00 News Summary
12.05 World News via
Satellite

Please note that pro-
grammes and timings are
liable to change without
notice.

NIGHT CHEMIST

Kuwait
AI Muntasar Pharmacy
Ahmad AI Jaber St.
AI Ajeel Pharmacy
Adnan Abdul Aziz Bldg.,
Palestine St., Mubarakiya
Farwaniya
AI Taawon Pharmacy
Jara Comm. Centre, No. 3,
Maio St.

Hawalli and Nagra
AI Jodhar Pharmacy
Tunis St.
Saluniya and Rumailhiya
AI Shifa Pharmacy
Salem AI Mubarak St.
Fahheel and Ahmadi
AI Sheba Pharmacy
Late Sheikh Bldg., F'heel
Jahra
AI Khalid Pharmacy
Opp. Co-operative Society

CINEMA TODAY

AI Andalus
Predator
Starring: Arnold Schwarzen-
egger
AI Saluniya
Ana Wal Azaab Wa Huwak
(Arabic)
Starring: Walid Taufiq,
Sabirin, Wahid Salf
AI Hamra
Kul Hada AI Hub (Arabic)
Starring: Noor AI Shariff,
Laila Alwi, Yahya Shahin
Drive-In
Ighthal Madrasah (Arabic)
Starring: Nahila Ohaid,
Sahiree, Hisham Salim,
Salah Qabil
AI Firdous
Dayavao (Hindi)
Starring: Vinod Khanna,
Feroz Khan, Madhuri Dixit
AI Fahheel
Danger Zone

Fahheel Open-Air
Vijay (Hindi)
Starring: Meenakshi
Seshadri, Anil Kapoor
AI Jahra
Ram aur Shyam
Granada
Chor Machaye Shor
Salabikhat
Urban Warriors
AI Jleeb
Jurmama (Hindi)
Ahmadi Drive-In
Raiders of Paradise

PRAYERS

Fajr 4.40 am
Zuhr 11.32
Asr 2.40 pm
Maghreb 5.03
Isha 6.21

GOING PLACES

The fun was real not ghostly

It was not a "jeebon maran somashya" (question of life and death) like Bhupati Rai's (Mahmud Hassan Bahu) but a "somashya" (problem) it was. (If language was not a problem, one could have joined in the laughter instead of following the leader. Yet, this did not matter.)

The fun was in seeing the changing expressions, rolling eyes and smug faces of eager creditors play-acting for the "Rai Bahadur Bhupati Rai Bhuiyan" who puts up a false show of wealth to entice a buyer of a haunted palace, set in a village in Bengal. The year is 1561.

But this was not the crux of the problem for the players of the Mouchak group's Beogali play Ballapurer Rupaakha, performed at the Mousetrap Theatre on Thursday and Friday.

The daunting task was to

convince the buyer, Haldar, without letting him know about Raghu Da (the ghost who has been living in the palace for four centuries).

Ghosts have this uncanny habit of making an appearance at the most inopportune time. Raghu Da wins the heart of Haldar by reciting Sanskrit couplets. It is at this point that the play turns into a romantic-comedy of errors. And Mrs Haldar has the unenviable task of "frightening the ghost".

"Raghu Da woo't come," moans Bhupati, "he is afraid of Mrs Haldar" even while Haldar boasts about the "good buy".

"It's a bargain. At 10,000 taka I get the palace and the ghost!" he says. Now, how many would want to buy a ghost-infested palace?

The royal chef Maoohar (Dada Siraj) has you in splits



Manohar with Bhupati Rai.

while "training" an unco-
operative Rai Bahadur to make
the royal entry, sniffing the red
rose held delicately between
two fingers.

Sanjiv (Shams) Bhupati's
friend was gloriously funny,
trying to play the estate man-
ager he was't.

And Choudhury's (Mosavim
Islam) sheer contempt of ghosts
literally floors the man as
Raghu Da, the royal spirit, fi-
nally walks through a hail of
bullets — at the stroke of mid-
night as the lights go-off and
smoke rises. The scene, like the
entire play, was deftly handled
by director Rashid Hyder.

The sound and light effects
for the climax were finely done
by the meo behind the stage —
Mannan, Nice, Tareq,
Ouamruj and Sameer.

The entire cast, all amateurs
did a great job. The cast
included Ejaz Ahmed, who
played the hen-pecked Haldar,
Rumana Huq was the coo-
ving domineering wife, Mrs Hal-
dar, Sahar Ali, Syed Ali Wahed
and H. Hussain played the
three harried shopkeepers.

"Natak khuh hhalo hoye
chhe — ehalye jao! (The play
was entertaining, keep it up!)." FA



Bhupati (right) trying to convince the shopkeepers to play-act.



● The Littles, a recently formed Bangladeshi children's group, last week presented a variety show — Bichitra — at the Sharq auditorium. Bangladeshi Ambassador K.M. Shehadeen was the chief guest. Above: The Littles in performance.



New group formed

The recently formed Malayalee group Nadar Sangam held their first meeting — Karpaka Vizha — at the Indian embassy hall on Thursday. The group will hold cultural shows and encourage sporting events for children. Indian First Secretary Varghese Gee was the chief

guest. Nadar president Paul C. Samuel welcomed guests and secretary A.C. Sounder Raj outlined the group's objectives. Above: Nirmala Staislav presents Nadar's cultural report. On the dais are Paul C. Samuel, Varghese Gee and A.C. Sounder Raj.

WHAT'S ON

MUSIC

David McArthur Recital
OCT 31: 8 pm, Mousetrap Theatre. Jahniya: British pianist David McArthur will give a recital. The programme will comprise works of Beethoven, Schumann, Elgar, Chopin and others. For details contact 2469348/2441746/2402287.

Bob Marley Night
NOV 4: SAS Tent, 7.30 to 9.30 pm: Steve Michael and The Electric Rendezvous will be seeking to recreate the spirit of Jamaica, with a tribute to Bob Marley, the king of reggae. Ticket price: 41/-

Nite Flight 88
NOV 10: SAS Hotel, The Tent, 9.30 pm: Airline staff will hold a social evening with music by Juke Box Band, Stepping Stones, and the Jazz Quartet. Buffet, coolest, prizes and surprises. For reservation contact Ken Winston — 5740256; John — 2435440; Tony — 2415439.

SOCIAL

Halloween Party
OCT 31: Children's Hall-
oween pool party at Messilah Beach. Fancy dress competition, pantomime fun and pool fun games. For reservations call the hotel ext. 739/751.

Swedish Ladies Meeting
NOV 1: Swedish ladies meet-
ing will be held at the residence
of Mrs Lindblad.

Harvest Festival
NOV 3: 1-5 pm. The National Evangelical Church, English Language Congrega-
tion, will hold the third Harvest Festival — food, fun, hand-
icrafts, baked goods and other

attractions. Come along and
enjoy an afternoon's fun.
Kuwait Kannada Koota
NOV 4: 5 pm. Sharq Co-
operative Hall, Kuwait Kan-
nada Koota presents a variety
show for the Nehru Centenary
Year and Karnataka Rajyoth-
sava. Tel: 5721724; 5610835.

Diwali Celebration
NOV 10: The Indian Arts
Circle will celebrate Diwali.
Open to members and their
guests. Passes available from
the IAC, Fouaites. Tel:
3904817.

Kuwait Celebrations
NOV 24: St. Andrews Night
Dinner will be held at Messilah
Beach Hotel. Guests from
Scotland will be Abie and John
Carmichael. For details and
reservations ring 5335082,
3727690 ext. 253.

SPORTS

Laser Club

NOV 4: Start of the Messilah
Beach Laser Club's winter rac-
ing season.

Instruction available. For
details contact D. Clark —
2425947; P. Shepherd —
5314957; 4841513; F. Berry —
3924174.

PBAK Awards

NOV 4: 4 pm. Ambassador
Alman C. Giang will present
awards to the winners of the
first PBAK inter-commercial
bowling league. Buffet dinner.
Admission: KD. 5 per person.
For reservations phone Sara
Macarimbang 4843447; Ofje
Olor — 5634200; Cora Paras —
4897536.

PBAK knock-out

bowling tournament
NOV 11: 9 am to 9 pm. 300
Club. Single competition, open
to men and women. Entrance
fee: KD3.500 (members) and
KD4 non-members. Winners
will receive trophies.

Pianist McArthur to give recital

SCOTTISH pianist David
McArthur revisits Kuwait to
give his third performance at
the Mousetrap Theatre on
Monday night.

McArthur has been perform-
ing in Kuwait and the Gulf
every year since 1986. During
the past 12 months, he has
visited the US, Far East and
Europe.

"It is indeed an exciting time
in my career, if this continues I
will realise my ambition of
playing the piano for people
around the world," said McAr-
thur.

Born in Scotland, he began
learning to play the piano at the
age of nine and had his debut as
a soloist in Greg's Concerto at
17. He later studied at the
Royal Scottish Academy of
Music under Miles Coverdale
and studied with David Wilde
at the Guildhall School of
Music in London. He also
obtained a "Performer's
Diploma" from the Royal
College of Music in the UK.



David McArthur: roving musician

Over the past 10 years, he has
acquired the reputation of
being a sensitive musician.

A musician, says McArthur,
is "constantly changing,
maturing and becoming a little
bit better at communicating
with his audience."

His audiences, he claims, are
receptive and appreciative.
"Even the teenagers have
become more appreciative of
classical music," he says.

McArthur's Kuwait concert
repertoire includes Beeth-
oven's Soata in A Op. 2, No. 2;
Schumann's "Faschingssch-
waak aus Wien, Op. 26; Elgar's
Allegro Op. 46 and Chopin's
Fantasie; Ballade, Nocturne
and Scherzo.

Goans celebrate village festival

THE residents of Colva, a
Goan village, on Thursday
night celebrated a village fes-
tival at the Messilah Beach
Hotel, Kuwait.

They danced with romantic
fervour to the music of Top
Ranks and played a variety of
games. Prizes were awarded to
the first couple to go on the
dance floor — John Rodrigues

and Mary Vaz; the best dancers
Angela Almeida and Diego
Almeida; novelty dancers Mar-
garet Raymood (first prize) and
Altou and Luisa Vas (second).

There were games for chil-
dren as well like the pass-the-
bouquet contest. Its winners
were Larry Aguiar (first) and
Adreana Fernandes (second).

-Peter D'Souza

Seafood Buffet

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'Catch of the Day'
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SUSAN JACOB

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heartfelt condolences.

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ARAB TIMES

Thought for today

THE most difficult thing in life is to know yourself —
Thales, Greek philosopher (about 640 BC-546 BC).Secretive dealings
routine for S. Africa

By David Crary

JOHANNESBURG, (AP): From military headquarters to athletic fields, from corporate board rooms to a zoo director's office, secrecy in South Africa is a fact of life.

The phenomenon extends far beyond the traditional realm of national security. Because of the stigma attached abroad to dealing with South Africa, clandestine tactics are considered necessary by leaders in government, business, entertainment and sports.

"It's impossible for the average citizen to keep abreast of what's going on," said Peter Soal, a parliament member for the anti-apartheid Progressive Federal Party.

The penchant for secrets reaches high levels. Foreign Minister P.W. Botha, accompanying President P.W. Botha on a recent trip to Europe, made a secret two-day trip away from the main entourage.

"I am not prepared to say publicly exactly where I was, except to say I visited one or two countries in the east or in Africa," the foreign minister said upon his return.

The white-controlled government claims several black African statesmen have visited South Africa clandestinely in recent years.

Officials also say prominent blacks in South Africa have negotiated secretly with the National Party government about possible political reforms. To identify these leaders would risk discrediting them in the eyes of other blacks, the government says.

Much of the country's foreign trade, particularly efforts to circumvent economic sanctions, is enveloped in secrecy. The government says South Africa trades with 40 other African states, but it declines to identify them.

Statistics dealing with arms imports and exports are secret. So is most of the information dealing with energy and the country's nuclear programme.

South Africa does not say how much oil it consumes or how it meets its oil needs. It is a crime to disclose information on how petroleum is obtained, a law passed to protect suppliers violating

a United Nations-endorsed oil embargo against South Africa.

The Defence Act prohibits unauthorised reports about the composition and activities of the armed forces. Statistics on draft resistance are not revealed, and past invasions into Angola have been treated secretly.

South Africa did not confirm its renewed presence in Angola last year until many weeks after large numbers of troops entered. Throughout the campaign, military headquarters did not issue comprehensive statistics on casualties among its black troops.

Business Day, a Johannesburg newspaper, contended in an editorial on Wednesday that the National Party government engages in "a systematic concealment of the truth from the public."

"The idea of simple public accountability has decayed so far that not only invasions, but even the salaries of public servants are concealed," it said.

In parliament, lawmakers are entitled to ask cabinet ministers for information and statistics that might not otherwise be disclosed. But the ministers often decline to answer, saying disclosure would not be in the national interest.

Passion
"That answer has become more prevalent lately," said Soal in an interview. "The Nationalists have a passion for secrecy."

Emergency regulations forbid unauthorised reports about detainees or security force action. Justice Minister Kobie Coetzee recently proposed moves to restrict news reporting of trials.

Because of the extensive international sports boycott of South Africa, foreign athletes sometimes arrive using pseudonyms. Occasionally, with the cooperation of the local media, entire teams compete in a series of matches without the nationality or names of the players being revealed.

Often the competitors for major sports events are not announced until foreign athletes have taken off on their flights to South Africa, and thus are less susceptible to last-minute political pressure.

Even non-sports competitions can take on a cloak-and-dagger aspect.

Arafat in pursuit of
a Palestinian state

By Jonathan Wright

TUNIS, (Reuters): Flitting from airport to airport, from a house in Tunis to a guest palace in Berlin or Bamako, holding mid-night meetings in any of a dozen Arab capitals — Yasser Arafat roams the world in pursuit of an elusive Palestinian state.

Arafat, with his enormous stamina and resistance to jet-lag, seems even to enjoy his ceaseless travels.

The 59-year-old leader of the Palestine Liberation Organisation (PLO), has always been a traveller but the last few months of preparation for a crucial meeting of the Palestinian parliament-in-exile next month has meant even more jetting around the world.

The Palestine National Council is expected to declare an independent state at its meeting in Algiers from Nov 12-14.

Visit

In the five weeks since addressing Socialist members of the European Parliament in Strasbourg on Sept 13, Arafat has visited 25 countries from China to Mali, from Algiers in the west of the Arab world to Baghdad in the east.

"It's an amazing feat. But I think he might be addicted to it and he doesn't know how to stop," an Arab diplomat said.

"I've hardly seen him from one week to another and when I do he's always getting off one plane or onto another," one of his spokesmen told Reuters.

Arafat apparently thinks nothing of jumping on a plane, usually borrowed from the host government, for a single meeting with a head of state in a country several hours away, despite the elaborate security precautions surrounding his every move.

The PLO, fearful of an Israeli assassination attempt, never announces the time of his departure in advance and only when he is on an official visit as Palestin-

ian head does he receive a public welcome at the airport.

Even in Tunis, where PLO military commander Abu Jihad was killed earlier this year by gunmen widely believed to have been Israeli commandos, Arafat rarely sleeps in the same bed, PLO officials say.

Often he leaves at short notice or on the spur of the moment. "He just takes along whoever happens to be around at the time. It can be a little chaotic," said one of his aides.

His office on the southern outskirts of Tunis has the difficult task of injecting a semblance of order into the schedule, making sure Arafat has the right papers for the right trip and does not miss important engagements elsewhere.

"I only go on the really big occasions. Someone has to stay here or none of the work would ever get done," said a member of the permanent staff there.

PLO officials say Arafat's wandering are deliberate policy, designed to muster new support for the Palestinian cause and to keep it alive in places where it is not a priority.

Contacts
This explains his regular contacts with black African states, the Organisation of African Unity and with non-Arab members of the Non-Aligned Movement, none of which have much influence on Israeli policy.

The PLO officials and Arafat himself — are reluctant to talk about the details of his personal life but they say he remains in good health, despite irregular meals and sleep.

With no family, no interest in luxuries and material possessions, the Palestinian leader is well suited to the wandering life.

His limited wardrobe, which apparently contains only olive green military fatigues and black-and-white chequered headscarves, also makes travelling easier.

Biggest mission since the involvement in Vietnam

US Navy applying lessons learnt in Gulf war

By Richard Pyle

MANAMA, Bahrain, (AP): Emerging from what a senior commander calls a "do-it-yourself war" in the Gulf, the US Navy is absorbing and applying lessons learned in a year of unrelenting tension and hursts of combat.

Drawn into the waters between warring Iran and Iraq with a commitment to defend shipping, the Navy found itself committed to its highest, costliest mission since the Vietnam war.

Between July 24, 1987 — when the Kuwait supertanker Bridgeton struck a mine while under US escort — and the Iraq-Iran ceasefire on Aug 20, 1988, Navy ships and aircraft clashed with Iranian forces more than a dozen times.

Officers say the Gulf experience, which included the first combat use of many computer and weapons systems, could lead to many changes in procedure, shipboard equipment

and even a revived emphasis on survivability in warship design.

It also is prompting a serious look at more subtle questions such as stress. Sailors in the Gulf were living under a constant state of high alert while performing the exacting technical tasks of missile warfare. Officers often had only seconds to make major decisions.

Stress

Official concern about stress was given special impetus by the July 3 disaster in which the missile cruiser USS Vincennes mistook an Iranian jetliner for a military attack plane and shot it down, killing all 290 aboard.

US investigators said the pressure of first-time combat caused Vincennes radar operators to misinterpret crucial computer data, and recommended that stress and the "human factor" be studied for future training purposes.

Although investigators said the ship's Aegis radar-weapons system worked as intended, the

system is being modified to feed more precise information on aircraft threats.

The Navy also has made or is planning changes in shipboard emergency procedures, damage control and fire-fighting methods as a result of the near-sinking of the missile frigates USS Stark and USS Samuel B. Roberts.

Thirty-seven crewmen were killed on the Stark when it was hit by two Iraqi missiles on May 17, 1987, and 10 Roberts' crewmen were hurt when it was almost ripped in half by an Iranian mine last April 14.

Train

The Gulf inspired the Navy's first use of computer systems to train officers and crews for a specific combat zone. The computers simulated Gulf geography and tactical situations, with tapes of actual radio traffic for added realism.

The United States had kept a small flotilla in the Gulf since 1949 but it quadrupled after US President Ronald Reagan agreed

in mid-1987 to place several Kuwait oil tankers under the US flag and escort them past menacing Iran, which considered Kuwait an Iraqi ally.

The buildup ultimately reached more than 30 warships in the region, spurring similar moves by five West European governments.

US Gen. George B. Crist, head of US Central Command and architect of the operation, said the 600-mile-long (965-kilometre-long) Gulf, crowded with ships, oil rigs and besieged by warring neighbours, was a "learning experience" for the Navy, whose strategies are huilt on long-range ocean warfare.

Operation

"It was a real do-it-yourself, come-as-you-are operation," said Crist, whose Florida-based command controls US military activities in the Middle East. "There were no books, no doctrine."

The Navy had not run an

ocean convoy since World War II, and the only officers trained for the task were civilian reservists.

Teachers, accountants and merchant seamen were recalled to active duty as liaison officers aboard the Kuwaiti tankers.

Improvising for "guerrilla warfare at sea," Crist hired tugboats as temporary mine sweepers and leased two huge barges as floating combat bases after Arab states rejected United States pleas to use their territory.

Ill-equipped

He said the barges, an idea borrowed from Vietnam, where American forces patrolled from bases in enemy-held areas, showed it was possible to range far afield "without a tremendous base infrastructure ... and still project our power."

Naval officers say the "mobile sea bases" were instrumental in discouraging Iranian shipping raids in the northern Gulf for seven months before the

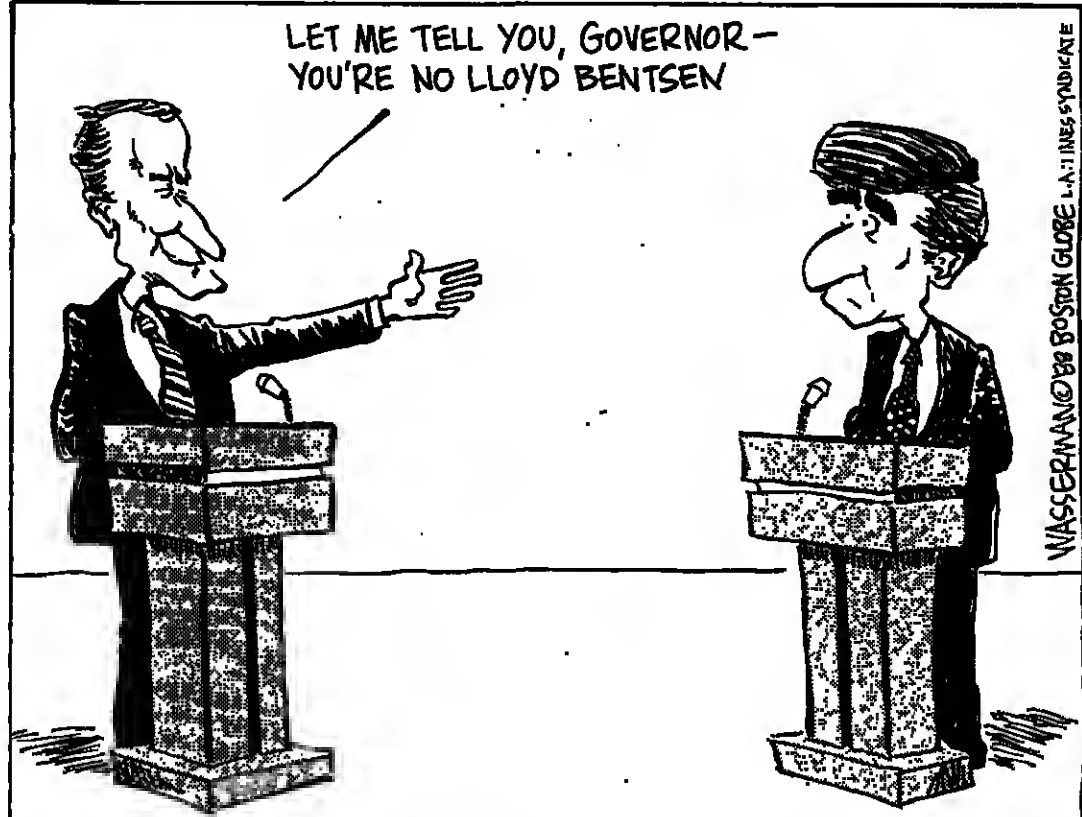
ceasefire. Secret, night-flying helicopters also caught an Iranian minelayer, proving that Tehran was mining Gulf sea lanes.

Navy ships built to fight submarines and aircraft, were ill-equipped to combat Iran's armed speedboats and Chinese-made Silksworm missiles, considered the main threats to US convoys.

Gulf-bound warships soon were being fitted with new firepower — machine guns, a laser-sighted Army tank cannon, and radar-guided Phalanx Gatling guns that hurl a storm of shells at incoming missiles.

Even before the July 3 Airbus tragedy, some US officers had criticized the choice of the billion-dollar Vincennes as being too much ship for the Gulf. Aides said, however, that Crist stands by the decision, which was aimed at countering an Iranian missile threat.

Other ideas fizzled or never got started.

Blacks may deny Dukakis
the backing he needs

By Michael Conlon

CHICAGO, (Reuters): Black voters' limited enthusiasm for Michael Dukakis is hurting the Democrat's effort to gain ground on George Bush in the closing days of the United States presidential election campaign.

At the same time, some political experts say Dukakis has lost support from some whites who think he has been too far to accommodate former presidential rival Jesse Jackson, the country's best known black politician.

Jackson is central to questions being raised about the role of blacks in helping choose the country's 41st chief executive. He ran second to Dukakis in the race for the Democratic presidential nomination and has been criticised for not doing enough for his old rival. But, until recently, he had been deliberately kept out of the limelight by Dukakis campaign organisers who feared he might alienate conservative whites.

Some commentators trace Dukakis' plight to his party's national convention, which seemed at times to be dominated by Jackson. Although he finished a distant second in the nomination balloting, Jackson looked more like an equal partner with Dukakis than an also-ran.

Conservative New York Times columnist William Safire

wrote that the Atlanta convention was a disaster for Democrats that may have alienated many voters.

"For three days all the American people saw and heard was Jesse Jackson," while his supporters seemed to fill the hall and dominate the convention, he said.

Although blacks account for just 11 per cent of registered voters, they are the Democrats' most loyal constituency. They backed Walter Mondale over Ronald Reagan by more than nine to one in 1984 and accounted for 20 per cent of the party's presidential votes that year.

But a survey taken for the Joint Centre for Political Studies in early August — when the Democratic convention was still fresh in voters' minds — found only 72 per cent of blacks favouring Dukakis, compared to the 89 per cent who supported Mondale in a similar survey four years previously.

Note

The poll said only 51 per cent of blacks said they actually planned to vote and that many blacks traced their coolness towards Dukakis to a feeling that the Massachusetts governor had treated Jackson unfairly.

May thought Jackson should have been chosen by Dukakis as vice-presidential running mate or accorded a more visible role in the campaign.

Unlike previous Democratic presidential nominees Dukakis has no history of involvement in black issues and his often staid, wooden appearance has struck few responsive chords in the black community.

"There certainly is not a fervour out there," said Don Rose, a Chicago political consultant. "I think nobody's looked upon as a saviour or an inspiration."

"There may be some holdover from his (Dukakis') campaign against Jackson. But along with everybody else, they (blacks) may just be uninspired," he said.

Campaign

Jackson has continued campaigning for Dukakis since the convention, but his efforts often fail to win front-page space or prime-time broadcast treatment.

With polls showing Dukakis about 10 points behind Bush among all voters, the Democratic nominee has recently devoted more energy to solidifying the black support political experts say he needs to offset his weakness among whites.

In a rare foray among black voters, Dukakis visited a Harlem church last week and declared Bush would turn back the clock on civil rights achievements. He has also increased his appearances with Jackson.

In a move some experts believe is an attempt to show blacks the Democratic nominee is sensitive to their concerns, the Dukakis campaign has also begun lashing out at the Bush campaign for using racist code words.

The Democrats have cited Bush's constant references to Willie Horton, a black convict who raped a white woman while out of jail under a prison furlough programme backed by Dukakis.

Asked in a television interview if there was "an element of Republican racist appeal in the use of Willie Horton," Democratic vice-presidential nominee Lloyd Bentsen replied: "When you add it up, I think there is."

Jackson made the same point at a news conference.

"There have been a number of rather blatantly race-conscious signals that had the impact of instilling ungrounded fear in whites and alienation in blacks," he said.

But some political hands say the racism charge may backfire on Dukakis by strengthening the perception of conservative white voters that the Democratic Party is too concerned about blacks.

Nicaraguans on Honduran border
keeping their heads down

By Allister Doyle

MURUPUCHI, Nicaragua, (Reuters): Farmers, villagers and soldiers around Murupuchi say they are keeping their heads down to escape mystery bullets which no one admits to shooting.

"When there are big blasts of gunfire, it's scary to go out into the cornfields to work," said Emilio Huete, a farmer near Murupuchi, a hilltop border post that the military says is one of the most dangerous places along the Honduran frontier.

Echoing the accounts of all the Nicaraguans interviewed recently around Murupuchi, Huete said the Honduran Army, across a valley about a km (half-mile) away, has been firing with heavy machine-guns into Nicaragua almost every day in recent weeks.

The Hondurans, like the Nicaraguan government and US-backed Nicaraguan Contra rebels camped nearby in Honduras, deny shooting across the border.

"Our troops do not fire across the border, despite frequent provocations," Honduran armed forces spokesman Juan Sierra said in a telephone interview from Tegucigalpa. Honduras has often accused Nicaragua of attacks across the border.

Several bursts of machine-gun fire, apparently from guns on the Honduran side, rang out during a recent visit by reporters who were walking down the hill from Murupuchi.

The Nicaraguans ducked behind pine trees. No bullets were heard passing.

Both the Nicaraguan ruling Sandinistas and the Contra rebels who have sought to overthrow them say they are respecting a seven-month truce in their war, while accusing the other of

almost constant violations.

Nicaraguan President Daniel Ortega has said Honduras is trying to provoke a border clash to give President Reagan a pretext for a US invasion in the final months of his term.

A border clash might also raise chances of Congressional renewal of aid to the Contras. The Sandinistas say thousands of rebels are camped in Honduras about 30 miles (50 km) east of Murupuchi.

Honduran officials, meanwhile, say Nicaragua is trying to create artificial tensions by inventing attacks.

Murupuchi, 190 miles (300 km) north of Managua, has been mentioned more often than any other art of the border in recent reports by the Defence Ministry on alleged Honduran aggression.

Hit

Lieutenant Ivan Castillo, in charge of the Murupuchi post, said that no one had been hit since shooting increased in August — and that his men had orders not to fire.

"If the Hondurans just want to waste their bullets shooting wildly at us, that's fine," he said, pointing to dozens of holes on the Honduran side of Murupuchi, which he said were caused by bullets now lodged deep in the mud.

Last year, a guard was shot dead at a nearby Nicaraguan border post. Another one was wounded by a bullet at Murupuchi several years ago, he said.

"Previously, there might be three or four attacks on Murupuchi a month," Major William Montalvan, deputy commander of the northern military region of Nicaragua, said in the town of Esteli. "But now there are three or four a day. It's a very tense situation."

He said, however, that no

extra troops were sent to the region.

Sandinista officers said Murupuchi might be subjected to attacks as it commanded a northern invasion from Honduras.

They said that Honduran F-5 jets often violated Nicaraguan airspace in the region, going up to 50 km (30 miles) over the border.

"Sometimes it's hard to sleep," said Gabriel, one of the border guards at Murupuchi. "They fired a mortar the other night, which lit up the sky with a red trail and flew over with a 'whoosh' like an airplane."

Most of the houses close to Murupuchi have been abandoned for years and several were peck-marked, apparently by bullets.

Contra fighters say they fear that Nicaragua could be planning an offensive against their camps under the pretext of countering aggression from Honduras.

The Sandinistas, meanwhile, have said that Contras operating on the border could be planning to attack.

Contra spokesman Bosco Matamoros estimated each rebel fighter has only around 20 bullets left. He said this was not enough even for self-defence from Sandinista provocation.

The rebels say around 70 per cent of what they describe as a 17,000-strong army is in Honduras. Sandinista officials put the Contra strength at 7,000, and say 5,000 of them are in Honduras.

The US Congress cut off the Contras' military aid in February and since then has approved only humanitarian supplies, much of which is carried by lorry along a road which passes between the Honduran border posts and Murupuchi.

Sankara's austere legacy fades

By Jean-Loup Flavay

OUAGADOUGOU, (Reuters): Glimmering limousines again cruise along Ouagadougou's pot-holed streets as Burkina Faso sheds the austere legacy of its revolutionary leader Thomas Sankara, who was killed a year ago in a coup.

The man revered by Africa's youth and snubbed by its moderate leaders lies in a shabby graveyard on the outskirts of the capital.

"Captain Sankara," reads the epitaph on a white-washed tomb covered with withered flowers. An anonymous hand has scrawled on a broken clay pot: "Beford president, we shall never forget you."

The memory of the man may still be strong but many of Burkina's eight million people are trying to forget his legacy.

"The time for dreams is over," says President Blaise Compaore, whose soldiers shot dead Sankara on Oct 15 last year.

Pragmatic

Compaore, once Sankara's friend and right-hand man, has set the West African state, one of the world's poorest on a pragmatic economic course since taking power.

"Much of the revolutionary rhetoric is still there but there is definitely a less dogmatic approach," a Western diplomat said.

"Compaore appears more in tune with his people when he talks of giving Burkina Faso a breathing space," he said.

Moumouni Ouédraogo, a customs officer fired under Sankara for making anti-government remarks, said: "Although we respect Sankara as a man, his regime

brought us far too much hardship."

Sankara loved making world headlines with his frugal lifestyle. He worked in a run-down building always open to visitors and drove a modest Renault-5.

Not so Compaore. He rides an open top Cadillac and plans to build a multi-million-dollar presidential mansion with money from Libya, Gabon and the Ivory Coast.

Guarded

He rarely ventures out of a sprawling compound, nicknamed "the bunker," which is guarded by tanks in downtown Ouagadougou.

Gone are the days when Sankara saved money by "sky-bitching" — borrowing a plane from a friendly government to attend international meetings. Compaore has bought a luxury Boeing 727 formerly used by pop star Michael Jackson.

Gone are the twice-weekly compulsory sport sessions for government workers. Gone too the simple smock, the Faso Dan Fani, which Sankara encouraged people to wear to promote the local cotton industry. Compaore's cabinet ministers now wear expensive French suits.

Construction

"Ouagadougou has changed so much that I hardly recognise it," says a Burkina who recently returned to this city of 400,000 people after five years abroad.

The capital now boasts one of West Africa's most modern indoor markets, a \$14-million project paid for by France, the former colonial ruler. Bars do a roaring trade since Compaore cut the beer price last Christmas.

In the past 15 months the city centre has become a huge build-

ing site with modern high-rises sprouting like mushrooms.

The construction boom reflects a beginning of economic recovery after years of stagnation under Sankara who favoured a state-controlled economy, economists and diplomats say.

Burkina Faso, which used to spurn help from the International Monetary Fund (IMF), is now talking openly to the World Bank about a medium-term structural adjustment programme.

A first delegation from the World Bank visited Ouagadougou in June and July and left full of praise for the government's overall management of the economy.

Borrowing

"By and large budget policies have been wise and the government has succeeded in avoiding a bloated civil service and massive borrowing — two factors which have brought economic and financial disaster to many African countries," said a World Bank preliminary report.

The bank is due to discuss next month with the government a series of relatively mild proposals to control public spending and loosen state controls to encourage the private sector.

The government has already given its broad approval to the measures and a series of adjustment loans focusing on transport and agriculture will be finalised by the end of the year, economists and diplomats said.

They said the World Bank package would be tied to increased aid from France, Burkina Faso's largest donor. In 1987, France provided \$95 million in bilateral aid, about one-third of total assistance.

J. J. J. J.

'US will remain Israel's ally'

Stop objecting to arms sales to Arabs: Reagan

LOS ANGELES, Oct. 29, (Reuters): President Reagan, backing a remark by Defence Secretary Frank Carlucci, said yesterday that American Jews and members of Congress should not object when the United States proposes arms sales to moderate Arab nations.

"Our judgement should be respected on when we have decided that we can make a sale of that kind," said Reagan, responding to a question from the audience following a speech to the Los Angeles World Affairs Council.

Carlucci, in an Oct 21 speech to the American Arab Affairs Council in Huntington, West Virginia, said critics in Congress and elsewhere should stop objecting to major arms deals with friendly Arab nations.

Though he did not mention Jewish Americans in the speech, some Jewish community leaders took the remark to refer to them.

Reagan said he understood the concerns of Israelis and

American Jews about such arms sales.

But he said that for peace to succeed in the Middle East, "I think they (Arab nations) have to see us as being willing to be fair and friend of theirs, just as they now see us... as the best friend of Israel."

He said the United States always specifies in such deals that the arms be used only in self-defence and added: "If anyone ever violated that contract... Israel would have an ally in the United States."

"I don't think any country has had a stronger ally than Israel has in the United States of America, and it's going to remain that way, I believe," he said.

Reagan in his speech also called on his successor in the White House to retain his foreign policy agenda.

Reagan said this year may mark a turning point in the cold war due to Soviet moves towards

democratic reforms and US foreign policy successes.

"Right now we have hopes — and for the moment we must remember that they are only hopes — that our children might see 1988 as the turning point in the great twilight struggle known as the cold war," he said.

Gorbachev
Reagan, with only a few months remaining in his presidency, interrupted a week-long campaign swing on behalf of Republican candidates in the Nov 8 elections to make the foreign policy address.

He called the movement of the Soviet system toward the adoption of democratic reforms remarkable but cautioned in the next breath of threats to continued progress.

Reagan also said it would be a great setback if Soviet leader Mikhail Gorbachev was unable, for whatever reason, to continue on the path he has sought of greater openness and democratic



Reagan: judgement

reforms for the Soviet Union.

Asked how the absence of Gorbachev from the Soviet leadership would affect the pace of Soviet reforms, Reagan replied:

"Well, of course, it would depend on who followed him but I think it would be a great setback if anything happens to prevent him from continuing the programme that he has set out."

"I hope that he can continue and will continue on this path," Reagan added.

Though Gorbachev has "a built-in structure opposed to him... the people in the street seem to be on his side," Reagan said.

Israeli elections are still a toss-up

OCCUPIED JERUSALEM, Oct. 29, (Agencies): The Israeli general election on Nov 1 is still a toss-up between the centre-left Labour and rightist Likud parties, according to opinion polls published yesterday.

Three polls in the Maariv newspaper showed contradictory findings. One predicted Likud would lead the next government, one slightly favoured Labour and the third survey was inconclusive.

A poll by the Modi'in Ezrahi group gave the most decisive edge to the right wing. It said Likud would win 43 seats to Labour's 33, and with smaller right-wing parties would gain a total of 65 seats in the 120-seat Parliament.

Minority
A Tazpit survey said Labour would defeat Likud by 43 seats to 40 and the right wing would garner only 56 seats.

Without the help of religious parties, however, Labour could form only a minority government with the support of two far-left, mainly Arab parties that have been ruled out as coalition

partners, the poll indicated.

The third poll, by the Israeli Institute, said Labour would win between 41 and 43 seats and Likud would gain 39 to 41, but could not say who would form the government due to a relatively high number of undecided voters.

The floating vote still appears to be a significant factor, just three days ahead of ballot day, pollsters said.

Dead option
Prime Minister Yitzhak Shamir said yesterday an international conference on the Middle East will be a dead option if his Likud bloc wins Israel's election.

Speaking in an interview with the Associated Press, Shamir said a Likud victory would force Arab leaders to rethink their opposition to direct talks with Israel.

"If I am elected it will become clear that this (international conference) option doesn't exist any more, and therefore, the chances of resuming the negotiations in the framework of Camp David will re-emerge," Shamir said.

Imelda invites US officials to fly with her

HONOLULU, Oct. 29, (AP): Imelda Marcos said she invited US officials to fly with her to New York today as proof she would not flee the United States to avoid federal racketeering charges.

However, she said she and her husband, deposed Philippine President Ferdinand Marcos, someday expect to return to their homeland.

"There are rumours that once airborne and out of radar range, I might flee out of the United States," Mrs Marcos said in a prepared statement released by a spokesman.

"In order to assure everybody of our destination, I am inviting the FBI, Federal Aviation Administration and the INS to have their men accompany us in the plane," she said. "In addition, I wish to state that since we were brought here, we expect to be brought back to our country as our human right to dignity."

US attorney Dan Bent said no federal officials would accompany Mrs Marcos on the private jet that a Honolulu tobacco heiress loaned for the 5,000-mile (8,000-kms) journey.

Escorts

"There will be no federal escorts on the plane. She doesn't require them," Bent said, refusing to detail what surveillance Mrs Marcos require.

As Mrs Marcos prepared for her first trip out of Hawaii since being exiled nearly three years ago, aides struggled to maintain

the secrecy of her departure time and itinerary.

Suites have been booked at the Waldorf Astoria for the Marcos entourage, which includes a nurse, secretary, lawyers and several close friends, said Marcos' spokesman Gennaro Trinidad, who released the statement.

"I am grateful to the members of the Filipino-American community in New York and surrounding areas for their concern for my privacy and security," said Mrs Marcos. "At the same time, they insist I stay at the Waldorf Astoria at their own expense. To all of them, a million thanks."

Indict

The Marcoses were indicted Oct 21 on federal racketeering charges accusing them of looting more than \$100 million from the Philippines and using it to buy New York real estate. They were to be arraigned Monday in Manhattan.

Bnt defence lawyers convinced US district judge John F. Keenan that Marcos, 71, was too frail to make the long flight for such a simple legal proceeding, which basically consists of entering a plea. His arraignment has been postponed until at least after he is examined by a government physician.

However, Keenan ruled Mrs Marcos, 59, was fit enough to make the trip.

Defence lawyers said she would plead innocent

Maghreb states pledge to work for greater union

FEZ, Morocco, Oct. 29, (Reuters): Five North African states — Algeria, Morocco, Mauritania, Tunisia and Libya — have agreed to work for Maghreb union by co-ordinating their foreign, economic and financial policies.

A statement issued at the end of a high-level meeting of the five countries yesterday said proposals for co-operation similar to Western Europe's Common Market would be put to a summit of North African heads of state early next year.

The closing statement, carried by the official Moroccan news agency MAP, said plans for har-

monising education policies and guaranteeing citizens the right of free movement and residence would also be submitted.

Maghreb leaders met in Algeria last May and breathed new life into an age-old dream of regional union.

They set up working groups to examine possibilities for harmonising policies in all fields.

The findings were submitted to North African officials, including prime ministers and ministers of finance and foreign affairs, who met in Morocco on Thursday to plan the next Maghreb summit.

Lovers marry after 40 years of separation

BELLING, Oct. 29, (AP): Love never faded for a man from Taiwan and woman from mainland China who finally married after being engaged — but separated — for more than 40 years, the official newspaper has reported.

Liang Yaozu, the bridegroom from Taiwan, and his wife, Hua Xiaixiang, were married recently in the western China city of Lanzhou, where Hua worked as a librarian, the China Daily newspaper reported.

Liang and Hua are both in their 60s now.

The couple, both from southern China's Guizhou province, met at a university in the early 1940s and decided to marry after the communist victory. Both were active in the Communist Party.

But Liang was arrested by the Nationalists while doing underground work in Shanghai. He was forced to move to Taiwan in 1948, a year before the National-

ists were defeated and fled to the island in the East China Sea.

Liang worked in Taiwan as an electrical engineer, the newspaper said.

The report said Hua joined the Communist Party but was tortured by leftists during the Cultural Revolution from 1966-76, apparently because of her past links with Liang.

Hua was rehabilitated by the party in 1979 and never forgot her vows to Liang, the newspaper said.

Liang travelled to China in search of Hua after Taiwan relaxed restrictions last year on visits to the mainland. The couple was reunited in mid-September, the newspaper said.

Professors strike

ASSIUT, Egypt, Oct. 29, (AP): More than 1,000 university professors at Assiut University staged a 24-hour strike today to protest alleged mistreatment of a colleague by a police officer.

Burma's fate lies in hands of military, says coup leader

BANGKOK, Oct. 29, (UPI): Burma's military leader General Saw Maung has insisted that the country's fate still lies in the hands of the military and told graduating military officers they must continue to organise the people, official Radio Rangoon said.

The report also said that 15 government troops were killed in 37 clashes with ethnic insurgents between Oct 22 and 27.

"It would be absolutely wrong to assume that because members of the defence forces are no longer allowed to be members of political parties, they have no responsibility to organise the people," the radio quoted Saw Maung as saying yesterday during a graduation ceremony at the National Defence College.

Until Sept 16, most military officers were members of the Socialist Programme Party that had ruled Burma since 1962.

Saw Maung, who seized power on Sept 18 in the wake of mass demonstrations in favour of democracy, said organisation of the people was necessary for military success.

Fate

"The country's fate now lies in the hands of the defence forces," he said. "If the defence forces disintegrate, the country will disintegrate as well."

Saw Maung repeated promises to hold democratic elections and said all members of the armed forces would be free to vote as they wished.

He said ethnic insurgents in Burma's border areas had been losing strength, but have stepped up their activities recently, taking advantage of Burma's political unrest.

"The insurgents will be completely crushed when the defence forces obtain the full encouragement and support of

the people," Saw Maung said.

A spokesman for the military's Law and Order Restoration Council said that from last Saturday to Thursday government troops engaged 37 times in combat with guerrillas, losing 15 men that were killed and suffering from an additional 42 wounded. The insurgents suffered 21 dead, according to Radio Rangoon.

Deadline

The spokesman said the worst clashes took place in Shan state, in the northeast where seven government soldiers and 10 guerrillas were killed, and in northernmost Kachin state where four government troops were killed. Ten guerrillas were also killed.

About a dozen small insurgent groups have been fighting for autonomy and political rights in their regions since Burma won its independence from Britain in 1948.

US commends arrest of Palestinians

WASHINGTON, Oct. 29, (AP): The United States yesterday commended West Germany's arrest of 14 suspected Palestinians and Sudan's conviction of five Palestinians for attacks.

"The Sudanese court's courageous decision is an important action in bringing the rule of law to bear," said State Department spokeswoman Phyllis Oakley.

Attack

The five were sentenced to death on Thursday for killing five Britons and two Sudanese in two attacks last May, in which three Americans were among 20 injured.

Oakley said West Germany's arrest on Wednesday and Thursday of the 14 suspected members of the Damascus-based Popular Front for the Liberation of Palestine-General Command may have prevented a large guerrilla attack.

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SHIPPERS

Senator sues jeepney owners

SEN. Joseph E. Estrada filed a P11 million civil damage suit against the owners of a passenger jeepney for the deep cut he suffered in the face "that became a damaging factor to my movie career" as a result of the accident last May.

Estrada said that the deep cut with five stitches near the right eyebrow "prejudiced my earning capacity and my high pay as a movie superstar."

At about 4:30 p.m. last May 7, Estrada was driving his Nissan Datsun car when the jeepney, allegedly being driven by Ramos at high speed and with faulty breaks, and bumped the senator's car at the intersection of Epifanio de los Santos Avenue (EDSA) and Ortigas Ave. in Mandaluyong.

Estrada and his companion, Benedicto Flores, suffered serious injuries in the body that required long medical treatment in a hospital and at home. The car, he said, suffered extensive damage to the body and accessories.

He said that "despite our repeated written and oral demands, the owners of the jeepney still refused to pay the consequential claims for damages."

Japanese signs at Ninoy airport

AIRPORT customs authorities said billboard signs on customs rules and regulations in Japanese will soon be posted around the arrival area of the Ninoy Aquino International Airport (NAIA).

With this innovation, Samson said, Japanese tourists will not have a hard time dealing with the customs at the airport.

The customs billboards, will explain in detail the articles the tourists may bring in subject to or without customs duties and taxes. They will also guide incoming passengers on what to do in case they have currencies to be brought back when they leave the country.

'You can't bring out P15,000'

FOUR Singaporean tourists were stopped by Ninoy Aquino International Airport (NAIA) authorities from bringing out some P15,000 they had brought in.

The Singaporean tourists were told by Customs and Central Bank employees they could only bring out of the airport P500 each.

They said it was all the money they had. If they couldn't bring it out of the airport, they would have nothing to spend for their stay.

"It's your money. Why are you preventing us to spend it here," they told Central Bank employee Dionisio Camua.

Camua said he was only implementing a Central Bank circular which prohibits incoming and outgoing passengers from bringing in or out more than P500.

The Singaporeans can still get the money back, Camua said.

12,000 illegal Pinoys in Taiwan

ABOUT 12,000 Filipinos are working in Taiwan illegally, Philippine Overseas Employment Administration (POEA) chief Tomas Achacoso revealed recently.

The Filipinos, Achacoso said, entered Taiwan as tourists and went into hiding after six months when their visas expired.

Most of the Filipinos, the POEA chief said, work as household helpers, construction labourers or waitresses.

He said because the Philippine government does not have labour and bilateral agreements with Taiwan, the workers' stay there is illegal.

Peso crashes to record low

THE peso dropped last week to a record low since 1986 amid suspicions that the Central Bank could no longer defend its value against the US dollar due to dwindling reserves.

Although the CB and some bankers blamed the fall to foreign exchange speculation, they said that the seasonal demand for dollars as imports are at their peak was the reason for the decline.

Although the CB is firm on maintaining an average rate of P21.40-\$1 for the whole of 1988, bankers said that such a rate could not be sustained unless the CB further flood the market with its reserves which could ignite inflation.

Dona Marilyn survivors slam captain, crew members

Please stop, let's not go on: passengers' plea to captain

By Kathleen Callo

TACLOBAN, Philippines. (Reuters) Survivors from Dona Marilyn, a Philippine ferry sunk by typhoon said passengers pleaded with crew to take shelter but the captain steamed on while broadcasting 'Hail Marys' over loudspeakers.

"Some passengers were crying, shouting 'please stop, let's not go on,' said a teenage girl who reached here with a group of 138 aboard the rescue ship Cebu Princess.

Alberto Oledan, a 29-year-old construction worker, said passengers urged the crew of the 2,855-ton inter-island ferry Dona Marilyn to take shelter as typhoon Ruby battered the Philippines. The captain dropped anchor briefly and then proceeded.

"Passengers were shouting at the crew and the captain not to



Survivors of the Dona Marilyn transfer to a coast guard vessel after being adrift for more than three days. Many are still missing. leave but the crew members did not listen," Oledan said. "I heard the passengers tell the

'The captain is not stupid. He's trained to do those things. If they were pleading I'm sure he tried to do something' — company official.

crew that 'it is better to stay here, let's not go on,' said Florencio Lugo, a 62-year-old farmer who

Passengers said the crew played tape recordings over the ship's loudspeaker of 'Our

Father' and 'Hail Mary' as Ruby pummeled the 22-year-old vessel on Monday before sinking it.

About 200 people have been found alive since the Dona Marilyn sank. The operators said there were 481 passengers and crew aboard but survivors said there were probably many unregistered passengers.

"I cannot believe it. It's normal procedure to take shelter," an official of the owners commented.

"The captain is not stupid. He's trained to do those things. It's common sense," Sulpicio Lines district manager Carlos Go said in Manila.

"If they were pleading, I'm sure he tried to do something."

The government ordered the company to explain why the ferry left Manila despite typhoon alerts and President Corason Aquino said she would suspend the company's licence if investigation showed the boat was at fault.

The Dona Marilyn was a sister ship of the Dona Paz, which went down with the loss of more than 3,000 lives following a collision with a small oil tanker last December. It was the world's worst peacetime disaster at sea.

Rescue teams searching for Dona Marilyn survivors found



A survivor from the Dona Marilyn ferry is helped by rescue workers.

dozens of bruised and exhausted passengers on a string of small volcanic island, the coast guard reported.

"There were so many little children, boys, and girls on the side of the ship. They could not get off. The ship sank and they

'There was no warning of danger. There was no instruction. The crew just attended to their own survival' — a survivor.

According to accounts from survivors, several spent up to 20 hours clinging to wreckage. Many of the dead were small children who went down with the ship when it was flipped over by Ruby in the Visayas Sea.

died," said Gerard Jude Gerodiaz, 17, a university student from Manila. Many said there was no call to abandon ship. "There was no warning of danger. There was no instruction.

The crew just attended to their own survival," said Lito Pedrosa, 28, a mason from the central Philippine island Samar. A 27-year-old woman, Anelia Gallaron, said: "The people panicked because there was no announcement of what to do."

She said she and 14 others tried to climb into a rubber raft after jumping overboard but it burst.

About 120 others died in Ruby's wake, including 17 killed by a landslide in Quezon Province, southeast of Manila, on Tuesday. Officials placed damage to crops and property at about \$75 million.

US also unhappy with bases accord

By Carol Giacomo

THE abundant American goodwill toward the Philippines has enjoyed since Corason Aquino came to power nearly three years ago has been eroded, and the signing of a military base accord between Manila and Washington is not expected to repair the damage easily.

The full impact of relations of months of contentious negotiations and often hostile rhetoric is difficult to judge at this point — at least at the government level.

But the tough Philippine attitude has soured the atmosphere and made it likely some US officials who would have supported a proposed massive multi-lateral aid programme for Man-

ila will not do so, one State Department official told Reuters.

The foreign policy adviser to a key Republican senator also believes the multi-lateral aid programme to revitalise the desperate Philippine economy with the help of Japan and other countries — could have a difficult road.

"I think the (base) negotiations have not helped," he said. Many US officials blame the negative tone of the just-concluded bargaining on Foreign Secretary Manglapus, who was his country's chief negotiator.

Richard Fisher of the Heritage Foundation, a conservative think tank, has written that Manglapus took a hardline and

raised the ante on the bases, sorely trying US patience.

"Manglapus' occasionally nasty even spiteful rhetoric of the past several months may be stretching his patience to the breaking point," he said.

Congressman Stephen Solarz, chairman of the House subcommittee on Asia and Pacific Affairs, acknowledges US unhappiness with Manglapus but argues personality should not be allowed to affect foreign policy.

"Our foreign policy should be based on a calculation of our interests not on the character of the interlocutor," the New York Democrat told Reuters in a telephone interview. Richard Kessler, another US

expert on the Philippines, says Washington was more at fault, making nasty statements both in public and in private. "The negotiating process had gotten out of hand. They had gotten too personal," he said.

Aside from Philippine demands for huge new amounts of US aid at a time when Washington had its own budget pressures, US officials have disliked Manila's attitude that the bases only served American interests.

Washington argues that a US military presence in Asia — preferably in the Philippines — is needed to counterbalance the Soviet Union, boosts Manila in the face of a communist insurgency and is desired by other regional allies.

Teenage soprano reigns in Spain

ANDION FERNANDEZ, of the Philippines was one of the four grand prize winners of the 2nd Julian Gayarre International Voice Competition held in Pamplona, Spain.

Andion, 19, was the youngest contestant in a field of 48 male and female opera singers from all over the world. Chairman of the prestigious international Board of Judges, Jose Carreras, one of the most famous of contemporary tenors, in an interview published in the Diario de Navarra noted that "she has a beautiful voice, much talent and potential and she must keep on singing because she has a brilliant future ahead of her."

The contest, among the more prestigious in Europe, is held in honour of the late Julian Gayarre, who was one of the greatest tenors Spain has ever produced (Spain can lay claim to more famous tenors than any other country in recent years — top among them — Placido Domingo, Alfredo Kraus and Jose Carreras) and whose unique double vocal cords have been preserved for posterity at the Museo de Gayarre in Pamplona.

Tenor Gayarre died at an early age while singing the lead tenor in Bizet's 'The Pearl Fishers' in 1890. Musical history has it that Julian had an extremely beautiful voice unsurpassed by any of the succeeding generation of tenors including Enrico Caruso.

The final contest — concert was held at the Teatro de Gayarre with Jose Carreras (who is just recovering from a very serious illness) being given a standing ovation to resounding shouts of 'Bravo Jose!' as he took his place as Board of Judges chairman in the elegant, full-to-



Fernandez she was the youngest contestant in a field of 48 opera singers from all over the world.

capacity (7,000) theatre. Limited to classic singers in the age, the contest this year had a special Jose Carreras prize for a tenor which remained unclaimed, despite a tenor being one of the contest's four winners with Andion Fernandez.

The Diario de Navarra reported that "Señorita Fernandez had an elegant air, stage presence, and engaging voice, and was consistently the most applauded contestant." The panel of judges remarked: "Exceptional voice!" — Pedro de la Virgen, renowned Spanish tenor. "Very Good!" — Marcel Prawy, honorary member of the Vienna Staatsoper and president of the International Society of Richard Strauss. "I am sure of Andion's future — she has no doubt a good future." — Antoni Parera, well known Spanish composer, and finally from Giuseppe di Stefano, world renowned Italian tenor, close friend and associate of legendary diva Maria Callas. "Muy bien, muy bien, muy bien, muy bien! Bravo!"

Andion is a consistent University Scholar (that means a general average of no lower than 1.45) at the University of the Philippines College of Music, where she is enrolled for a Bachelor of Music Degree, with Fides Cuyugan Asencio as her voice and music theatre mentor. "La Filipina," as Andion was identified in Spain, is reaching for the stars and is getting there.

Dole asks: where is the money for bases?

and housing investment guarantees.

"Just how that money is going to be found in a foreign operations budget already carved to the bone to meet other basing rights and peacekeeping commitments is not readily apparent to this senator," Dole said in a Senate speech.

The Reagan administration will have to ask Congress to provide the aid funds out of a tight budget.

Dole said the next Congress and the new president should work together early next year on

a new global basing strategy and finding the money to support it.

He said Congress and the president should also set a goal "to ensure that our allies and friends — who have been getting a free ride — bear their fair share of this enormous burden of projecting American power around the world, to protect freedom around the world."

The new accord, had become possible only after the Philippines had been made to understand that its negotiating tactics of 'huff and brimmanship' had been getting nowhere, Dole said.

Santiago resigns ... Aquino rejects

By Cesar Espino

MIRIAM Defensor-Santiago resigned as head of the immigration commission out of "deleadeza" because the legality of her alien legalisation programme had been questioned by the Senate.

But President Aquino rejected her resignation.

In a meeting with Santiago, the president said she would arrange a dialogue with both chambers of Congress which claims that her programme virtually grants amnesty to overstaying aliens.

The Senate passed a resolution requesting the president to suspend her programme.

In her letter to the president, Santiago said quitting her post was her only "honourable alternative" to show her deleadeza. The resignation she offered was effective Nov 1.

Santiago earlier announced she would quit as CID chief if Congress or Supreme Court indicated disapproval of the programme she designed.

She had said her continued presence at the CID prejudiced what she described as a good environment.

But after her talk with the president, Santiago said she was willing to go back to work. She said: "I'll have to obey the president."

Presidential Legal Counsel Adolf Azcuna said Ms Aquino had received a copy of the resolu-

tion of the Senate requesting the suspension of the implementation of the alien legalisation programme.

The programme grants permanent resident status to illegal aliens for a fee of P50,000 provided they came here before 1984 and have no criminal records.

Azcuna said the president will soon ask Senate President Jovito Salonga and Speaker Ramon V. Mitra to discuss the matter with her.

Executive Secretary Catalino Macarig said Malacanang favoured the implementation of the programme.

As this developed, Prof. Jose N. Nolleto, former member of the 1986 Constitutional Commission and delegate to the 1971 Constitutional Convention, defended Santiago's programme.

In a statement, Nolleto said, the authority of the president to waive passport requirements is a compromise that covers even the criminal aspects of an alien's case.

Under the immigration law, the president is authorised to compromise or passport requirements, by waiver, under certain conditions.

"Legalisation is not pardon because pardon is given only after final conviction," Nolleto stressed.

Likewise, legalisation is not amnesty because amnesty generally covers political offenses



Santiago: I'll have to obey the president.

under the ruling of the US Supreme Court in the case of Burdick vs. United States.

The Ateneo law professor, bar topnotcher and reviewer said the programme deserves national support but its critics have adopted a "myopic attitude."

"Much has been said by lawyers and non-lawyers about Santiago's programme on alien immigrants but there are certain legal aspects that have been ignored in the discussion of the programme," Nolleto said.

"Miriam has so eloquently presented the reasons why public interest demands such waiver."

He said the president can ask the justice secretary to uphold its validity because she has control, not merely supervision, over any department secretary whose decision or opinion can be validly overruled by the Chief Executive.

Honasan, men seen in Angeles

SAN FERNANDO, Pampanga: Former Army colonel Gregorio "Gringo" Honasan, leader of last year's failed Aug 28 coup, and his men eluded military operations against them by fleeing Angeles City for an unknown destination said a report at Camp Olivas.

The military also said that the military operatives sent to track down Honasan and his men failed to catch the coup leader and his men.

The presence of Honasan and his men in Angeles was reported to the Pampanga PC authorities by a PC captain.

PBA basketball

Alaska strangle Shell

ALASKA Milk flexed its awesome rebounding might last week to strangle Shell Rimula-X Diesel, 134-115, in the PBA Reinforced Conference at the ULTRA.

And to top it all, the Milk Masters even used a breakneck run-and-gun game to post their fourth win in six outings.

Providing the extra muscle to Alaska was debuting import David Boone, who pulled down 19 of the Milkmaster's 59 rebounds. The burly Boone, who said he was five pounds overweight, also canned 28 points in a no-relief gala performance.

The Oilers who averaged 54 rebounds during the first round were limited to only 39 last night as they dropped to a 5-2 record and second place, behind idle San Miguel Beer (4-1).

Behind the brilliant show of Willie Bland, Alaska unloaded a 14-4 run to move on top, 88-77, late in the third quarter.

But the peppery Ronald Maganoc instigated a 10-point Oil rally to narrow the gap, 87-80, before the period ended.

The Milk Masters, however, took advantage of the absence of Shell import Derrick Rowland, who incurred his fifth foul, to steps on the gas and ripped the

game apart, 132-110, going into the final minute.

"Malaki and naitulong ni Boone sa depensa. Nakapag-match-up kami kaya nahirapan si (Bobby) Parks," said Alaska coach William Adomando.

Parks, who averages 17.2 rebounds was limited to 12 last night.

In the nightcap, Presto Ice Cream pounced on an import-trobbled Anejo Rum 65 to win, 143-130, to tie Alaska at 4-2.

The Rum Masters, who fell to 1-5, paraded a new import in Joe Ward in place of Kevin Gamble but his 55-point effort was not enough to help Anejo. He suffered cramps on both legs with 6:56 left.

FIRST GAME
ALASKA 134 — Shell 115, Boone 28, Villanueva 18, Reyes 11, Ramos 10, Salonga 5, Penson 4, Lim 2, Coloso 2, Valenzuela 1, Lazara 0.
SHELL 115 — Parks 42, Maganoc 21, Rowland 18, Holselade 18, Victorino 6, De la Cruz 6, Ramirez 2, Canino 2, Herrera 0. Quarter: 38-34; 60-57; 100-92; 134-115.

SECOND GAME
PRESTO 143 — Anejo 65, Jackson 33, Tumbala 21, King 17, Cezar 14, Calde 11, Cristobal 2, Co 0, Jaramola 0.
ANEJO 65 — Ward 35, Davis 41, Ampalaya 11, Jaramola 5, Isaac 4, Gonzales 4, Cedeno 4, C. Loyzaga 4, Dietrich 2, J. Loyzaga 0. Quarter: 38-34; 67-58; 106-91; 143-130.

Aquino's travel ban irks cabinet members

CABINET members were reportedly peeved by an order of President Aquino requiring them to seek his approval on their plans for overseas travel.

"Some cabinet members felt they should have enough authority to determine their travels abroad," since they are intelligent and, shall we say, conscious enough to make the right decision," said Press Secretary Teodoro Benigno after the weekly cabinet meeting in Malacanang.

An executive order issued enjoining cabinet secretaries, their undersecretaries and assistant secretaries to limit their travels abroad to those which are important.

It also requires them to first inform the Office of the President of invitations from any foreign country to determine whether such invitations are to be accepted or not.

Benigno said the subject was taken up as an "exceptional part of the agenda" in the cabinet meeting after some secretaries maintained their departments

should be given leeway in determining their travels abroad.

"There was a lively discussion on whether they should seek the permission or notify officially the Office of the President each time a secretary or undersecretary travels," Benigno said.

The press secretary said the President had ruled that she has to be informed of who are travelling abroad, "so she would have the kind of control necessary to avoid any excesses or abuses" on the part of ranking government officials.

"MAY I GO OUT OF THE COUNTRY? HAS I WAS INVITED BY THE WEDDING OF A NEIGHBOR'S FRIEND OF THE PRESIDENT OF SPAIN, SI-



JOY, in Lito

BANKING, FINANCE & INVESTMENT

AN ARAB TIMES SUPPLEMENT

UK decision on BP shares oppressive, arbitrary: Saadoun

Post-dated deals will 'encourage trading'

By M. C. Bose

JASSEM AL SAADOUN, well-known Kuwaiti economist and chairman of Al Saadoun Consultants, denounced the British government's decision ordering Kuwait to reduce its holding in British Petroleum Co. (BP).

In an exclusive interview with the Arab Times, Al Saadoun called the decision "oppressive, arbitrary and political."

Decision

The British government should have openly declared that it did not want any country to own more than 9.9 per cent of BP shares, he said. The government did not make the declaration because, they wanted someone to save it from the crisis following the world stock markets crash on Oct 19, 1987, he said.

The British government exploited Kuwait to save Britain from the crisis and now it is punishing Kuwait for its favours, he said.

The British government should have at least made the decision in cordial and secret consultations with the Kuwaiti government, but instead announced the ruling to the world, the economist complained.

A minimum price for the shares should have been guaranteed through the Bank of England, he said. Britain would not have handled the situation so poorly had the US or Japan been involved, Al Saadoun alleged.

Turning to other economic concerns, Al Saadoun denied he has any information about reports being prepared about the Kuwait Stock Market.

Steady

There was a report that the Kuwait Stock Market is planning to revive its operations. Discussions are reportedly under way to lay down a comprehensive plan to revive the market.

Al Saadoun said he only knows the Kuwaiti minister's statement about a study on investment funds and port-

folios.

The minister said that such investment means will be introduced after rules and regulations are prepared for them.

Permission for collective trading at the market will certainly increase the demand on investment means, the economist said. He added that allowing post-dated deals will also encourage trading, if the proposal is approved.

However, the creation and provision of good investment means is beyond the stock market's capability, he said.

This will only be achieved by reviewing the positions of companies registered in the stock market, both in financial and administrative affairs.

Pace

The pace or trend of the local economy should be amended to make the companies serve the objects of the economy, he said.

On another matter, more than 600 Arab businessmen and investors are planning to meet in Tunis during the first week of November to discuss

ways to expand Arab financial markets and the inter-Arab investment strategy.

Although the Arab businessmen's meeting is a good tradition, the meeting is not expected to yield a collective result, Al Saadoun said.

The true benefit of the meetings is that businessmen are able to realise each other's abilities and perhaps it will pave the way for co-operation among themselves, he said.

This is better than making recommendations and proposals that will meet obstacles in Arab political and bureaucratic fields, he added.

Surplus

Replying to a question on Arab investments abroad, Al Saadoun emphasised that it was far better to invest the surplus of Arab funds in the Arab world rather than going abroad.

But he stressed that to call Arab funds hack remains merely a slogan if not preceded with a real economic study concentrating on removing obstacles preventing such return. He

added that the obstacles are a result of a short-sighted political view which is incapable of understanding the requirements for development, not to mention other causes, Al Saadoun stressed.

Projects

Meanwhile, Minister of Commerce and Industry, Faisal Al Khaled said that officials at the Kuwait Stock Exchange have prepared a study on investment funds and investment projects.

He added that establishments with qualified personnel should be organised to co-ordinate the investments.

Al Khaled denied the existence of a real estate bourse. He explained that citizens who suggested organising the real estate market did not want a bourse established. What was intended was organised control of the real estate market to put an end to violations, he said.

A reliable market source has said some companies from GCC countries and foreign countries will be listed in the Kuwait Stock Market shortly.

Bank steadily increases its global operations

NBK total assets now \$11 billion

MOHAMMED AL KHORAFI helped found National Bank of Kuwait in 1952, but his finest hours at the institution have probably come in the past decade.

Since becoming chairman in 1981, he has had the task of steering Kuwait's oldest bank through the most turbulent and trying times Arab banks have known.

He has done so with distinction—and remarkable success. Despite the ravages of the Souk Al Manakhr debacle, the region's sharp economic downturn and the decline of the traditional international lending outlets of the Arab banks, NBK has produced five successive years of increasing profitability, with record earnings of just under \$100 million last year. Assets have risen steadily and now total nearly \$11 billion.

Asset

Analysts note that NBK's most important asset is the depth of its management—a quality often lacking in the younger Arab banks and its skill in methodically laying down and then implementing three-year strategic plans. As early as 1981, soon after Al Khorafi became chairman, NBK analysed the domestic and regional boom environment and decided it was best to begin diversifying assets into the international markets. Staying close to the products it knew best and to clients with



Mohammed Al Khorafi, chairman of the National Bank of Kuwait.

strong links to the Arab world, the bank steadily increased its international activities.

When the regional downturn anticipated by NBK materialised, the bank was prepared—unlike scores of other Gulf banks—with nearly half its assets outside Kuwait. "NBK was able to rely on overseas branches for profits when domestic business was going through the recession since

1982," notes Ziad Taky, NBK's chief economist.

In the past two years, the bank has remained a step ahead of its rivals by flattening its management structure and using its international connections to bolster the delivery of new products and services in its home region. For example, the bank was alone among the Kuwaiti commercial banks in lead-managing dinar-denominated bond issues last year.

Al Khorafi personally made sure NBK board members stayed clear on the wild speculation on the Souk Al Manakhr, Kuwait's unofficial stock market, which crashed in 1982. Because of Al Khorafi's integrity and because NBK managed to limit its exposure to had sovereign debt, NBK's balance sheet is not only among the largest but also among the cleanest in the region.

Support

Indeed, National Bank is the only one in Kuwait that is wholly private-owned, receiving no government support funds and having no government representative on its board.

National Bank's superior performance and solid management make it more than simply one of the premier Arab banks in the postboom era. It is one of the handful of international banks best positioned to compete in the global markets of the 1990s.

Budget aims to boost domestic economic activity

Kuwait to spend more on productive sectors

THE new Kuwait budget estimates put total revenues at KD2,050 million increasing at 3.5 per cent of which KD1,790 million are oil revenues, and based on an output of one million BPD, as set by OPEC, and a price of \$15, according to a reliable market source.

Expenditures

Expenditures are estimated at KD1,390 million, increasing at 1.2 per cent above last year's budget. Current expenditures are estimated at KD2,533 million, and development expenditure estimated at KD657 million. The budget deficit, including the allocation of 10 per cent of oil revenues to the Future Generation Fund, is estimated at KD1,350 million, slightly smaller than in 1987/88. The narrowing of the deficit, as planned, will reverse the trend of the past five years which have seen the deficit grow steadily, from about KD315 million in 1983/84.

In addition, the government decided to allocate KD1.5 billion for the purchase of military equipment and supplies.

Despite the sharp fluctuations in oil revenues in past years, fiscal policy has maintained expenditures at the level of about KD3 billion, which is considered appropriate to maintain growth in the domestic economy.

Moreover, Kuwait's oil revenues are not severely affected by the recent decline in oil prices since Kuwait has been increasingly developing its refining capacity, estimated at 700,000 BPD, and has succeeded in implementing a strategy of expanding downstream and upstream facilities including the acquisition of refineries and gas stations in Europe. This has

No. Category	Salaries	Goods & services	Eqpt. & transport	Const. Appropriation	Other Expenses transfrs.	Total of 1988/89	Total of 1987/88	Total of 1986/87	Total of 1984/85
1. Head of state	2.6	2.7	0.02	0.1	8.0	8.0	8.0	8.0	8.0
2. Amir Diwan	2.0	0.2	0.02	0.04	5.4	5.6	5.9	7.2	7.2
3. Bureau of Audit	2.0	0.2	0.02	0.04	2.3	2.2	1.9	1.8	1.8
4. Council of Ministers	5.7	4.1	0.2	0.7	10.7	10.7	8.8	5.8	2.6
5. Council of Arts	—	—	—	—	—	—	—	—	—
6. Planning Ministry	—	—	—	—	—	—	—	—	—
7. Civil Service Dept.	—	—	—	—	—	—	—	—	—
8. Ministry of Finance	—	—	—	—	—	—	—	—	—
9. General Admin.	7.7	3.4	0.2	120.8	24.4	156.6	137.0	155.6	188.5
10. General Accounts	—	—	—	—	753.8	753.8	774.2	820.9	881.8
11. Customs Dept.	14.0	1.8	0.3	0.7	16.1	14.7	14.1	12.9	12.9
12. Ministry of Justice	11.4	1.2	0.5	0.6	13.6	12.0	11.8	10.3	10.3
13. Interior	114.5	125.9	6.4	3.0	3.3	170.4	160.4	145.3	121.8
14. Defence	7.2	0.06	0.0	—	295.0	302.2	287.2	274.7	268.8
15. National Guard	31.5	0.3	0.3	0.2	0.6	33.0	30.3	24.0	14.9
16. Education	265.8	19.5	1.3	6.0	15.2	307.9	297.0	280.6	266.7
17. Health	149.5	41.5	61.6	11.4	7.8	216.3	203.2	193.8	193.2
18. Social Affairs	21.9	3.6	0.2	6.2	30.0	56.7	63.1	60.1	49.4
19. Information	34.4	9.0	0.3	1.5	0.9	49.0	43.6	51.3	34.1
20. Islamic Affairs	10.6	1.2	0.3	2.0	0.6	14.7	14.5	12.7	11.6
21. Housing	—	—	—	—	—	—	—	—	—
22. Oil	2.6	0.6	0.03	—	11.8	15.1	22.9	24.2	63.7
23. Communication	35.3	4.3	0.1	20.7	—	60.4	62.8	57.6	81.2
24. Tel. & Telex	6.4	2.5	0.1	—	—	9.0	8.2	7.5	8.2
25. Mail	7.9	1.1	0.1	2.5	—	11.5	10.6	9.2	9.8
26. Civil Aviation	45.1	118.9	1.4	330.5	—	495.9	525.5	402.8	658.9
27. MEW	24.9	2.1	0.6	211.0	—	238.5	230.3	198.0	282.4
28. MPW	5.7	0.6	0.3	0.07	12.5	19.2	19.8	15.9	29.3
29. Commerce	850.7	240.0	19.9	736.7	1200.4	3047.7	3029.8	2860.1	3285.0
30. Total	35.6	24.0	6.6	20.3	60.6	147.1	128.2	—	—
31. Additional Provision	—	—	—	—	—	—	—	—	—
32. Grand Total	886.3	264.0	26.5	757.0	1361.0	3194.8	3158.0	2860.1	3285.0

given Kuwait a captive market to sell its oil and to earn revenues in strong European currencies.

Budget deficit of KD1,350 million is to be financed by the drawing of the General Reserves and by borrowing from the domestic markets. A Debt Borrowing Programme was implemented in November 1987, and June 1988 about KD1.4 billion has been raised through the issuance of bills and bonds.

The introduction of the Debt Borrowing Programme was the most successful step by any Gulf country. It has enabled the authorities to achieve more stability in the public finance sector, since it has provided the authorities with a readily available source of funds from the local market to meet budget deficits emanating from short-fall in oil revenues, and avoid-

ing the drawing down of international reserves.

By June 1988, the government has borrowed about KD1,394 million worth of public debt of which about KD770 million in the form of 91 days Treasury bills and the balance (KD624 million) in the form of one to seven years Treasury bonds.

By mid-October 1988, the Central Bank has been borrowing in the market to replace retiring 91 days Treasury issues falling due, at yields between five and 6.5 per cent.

The deficit under the 1988/89 budget is estimated at KD1,346 million, based on oil production level of about one barrel and a price of \$15 per barrel. If the oil prices do not witness any firmness in the coming months to reach the \$15 level, then the government may have to raise the KD1.4 billion ceiling all-

owed under the previous fiscal year debt borrowing.

In general, the government borrowing programme of Kuwait has proved to be a success with no major constraints placed on the local liquidity conditions in the market.

Dr Ziad Taky, assistant general manager and chief economist of the National Bank of Kuwait, told the Arab Times

instrument to manage their liquidity position and at the same time to invest their surplus funds, accumulated due to the drop in demand for loans domestically.

They also provided the monetary authorities, with a monetary control instrument to help in managing the cost and level of funds in the local market. This has helped in

Despite the sharp fluctuations in oil revenues in past years, fiscal policy has maintained expenditures at the level of about KD3 billion which is considered appropriate to maintain growth in the domestic economy.

that the introduction of the borrowing instruments have enabled those governments to achieve several objectives, namely, to maintain government expenditure at a stable level which is necessary to keep economic growth at sustainable level. They provided the commercial banks and other financial institutions with an

development of local money and capital markets.

The borrowing instruments also helped to finance the budget deficit instead of liquidating the foreign assets of the government.

In total, the borrowing in the local market has brought several advantages to all the participants in that market.

Development Expenditure (KD mn)

	1 Budget	2 % Change	3 Actual	4 Ratio of Act. to Budget
1983/84	662	—	577	87
1984/85	813	+22.8	628	77
1985/86	694	-14.6	564	81
1986/87	605	-12.8	416	69
1987/88 (P)	650	+7.5	398	61
1988/89	657	+4.0	—	—

First six months only.

Banker calls for changes to overcome Manakhr crisis

By Khaled Ahmed

THE deputy chairman and managing director of the Al Ahl Bank, Abdul Salam Al Awadi, called for overcoming the Manakhr crisis.

He stressed that world stock markets overcome bigger crises in only months and gave the example of the October 1987 crash—a crisis that has been overcome, he said.

Headed that the major obstacles at the Kuwait stock market are problems related to the trading system such as the trading unit and price unit which should be changed.

He said that prices of shares at the market should be permitted to find their own levels, or at least the margin of change should be increased. This will certainly activate trading at the market, he said. He stressed that adequate laws exist to stop any violations.

Al Awadi emphasised that the Kuwaiti economy is strong and there is positive stability presently. These two facts must reflect on trading and prices. He attributed the low volume of trading to artificial obstacles and not to economic reasons.

He added that an increase in share prices will release many dealers now involved in the difficult loan settlements.

Al Awadi praised the positive role of the government in supporting the real estate market. The market readjusted its position after a big slump in 1986.

GCC acts to protect non-Arab investments

FINANCE ministers from the six member states of the Gulf Co-operation Council (GCC) have approved unified regulations governing non-Arab investments in the region, initially for a period of three years.

This was stated on Tuesday by Saudi Arabian Minister of Finance and Economy, Mohamed Ab Alkhalil at the end of a meeting of the group's ministers.

Ab Alkhalil said the Riyadh meeting also reviewed a number of issues, including a unified system of regulations to protect national industries.

Proposals

He added that the two proposals would be submitted to the next meeting of the GCC Supreme Council in December in Bahrain.

On trade with the EEC and the council, he said, no final agreement has yet been signed. A "framework" initiated earlier would be submitted to the GCC summit and, if approved, used to form the basis of a trade accord.

Meanwhile the GCC economic goals were spelled out in the Unified Economic Agreement signed by all members. This agreement calls for integrating the economies of member states and co-ordinating their relations with the outside world. To accomplish this, the GCC formed a joint stock company, the Gulf Investment Corporation (GIC), an economic division attached to the General Secretariat, and a number of specialised committees, according to Gulf Co-

operation Council figures.

The GIC, which has an authorised capital of \$2.1 billion, promotes and participates in joint developmental projects. The activities of specialised committees, which are usually attended by cabinet members from member states, range from standardising rules and regulations to linking currencies and setting a common tariff system.

Integration

To promote economic integration, the GCC has already eliminated tariffs on goods produced by member states, with few temporary exceptions granted for manufactured goods produced in Oman, provided the value added in these states exceeds 40 per cent.

It removed barriers to free movement of people and capital between members. It also established common standards and regulations for a large number of economic activities that range from environmental and banking inspection to custom and ship registration.

As for co-ordinating GCC economic relationship with the outside world, a number of measures under consideration may go a long way towards achieving this goal. Different GCC committees are presently examining proposals for a common tariff schedule on goods imported from outside GCC countries, a joint peg for the currencies of member states, and a common agreement with the European Economic Community.

Gulf investments in the West face risks

KUWAIT will probably lower its international investment profile in response to Britain's demand that it heavily cuts its stake in British Petroleum Co. (BP), a Kuwait Investment Authority official said last week.

The official, who wished to remain anonymous, described the British ruling as "terrible" and told Reuters it was likely to discourage major new stakes in foreign firms, encouraging the investment authority and affiliates to stick to small holdings less likely to make waves.

Risks

Meanwhile a UAE official has described the British decision to ask Kuwait to sell more than half of its stake in the British Petroleum (BP) "as being taken within the framework of the political Western colonial pressure on the Arabs and the fight by Western countries against any growth for the Arab capital."

Acting UAE Economy and Trade Undersecretary Atiq

Abdul Rahman was quoted as saying that the Gulf investments in the West, estimated at \$150 billion, are facing risks, according to KUNA.

The logical alternative for the Gulf investments, according to Abdul Rahman, is to invest in the Arab world which can absorb these investments and guarantee their profitability.

Investments

He expressed hope that the Gulf states would benefit from the lesson taken from the British decision so as to avoid any potential losses.

The Finance Undersecretary of Abu Dhabi, Jo'ann Salem told Al Bayan newspaper that the International Petroleum Investments Company owned by Abu Dhabi government is still seeking feasible economic investments in countries whose laws allow such investments.

He expressed belief that investments of the Gulf states do not face risks as a result of

the British decision, adding that there is no need to worry or to reconsider the policies of foreign investments.

However, he called for collective co-ordination on investments to enhance the negotiating power of the Gulf Co-operation Council states.

He hoped that the problem resulting from the British decision would be dealt with "wisely and calmly," adding there are no special risks facing Arab investments in Western countries other than the risks which face any foreign investors.

In the meantime, the newspapers in the United Arab Emirates last week highlighted the statement made by Kuwait's Minister of State for Cabinet Affairs Rashed Abdul Aziz Al Rashid in which he emphasised that Kuwait had decided to do what is necessary to protect its economic interests in Britain, describing the statement as the first Kuwaiti reaction to the British decision.

Public finance (KD million)

FY Ending June 30 Closing Account	83/84 C/A	84/85 C/A	85/86 C/A	86/87 C/A	87/88 Budget	88/89 Budget	% Change
A - REVENUES	3151	2745	2345	1731	1979	2054	4
1. Oil	2924	2448	2060	1484	1726	1789	4
2. Non-oil	227	297	285	247	253	266	5
B - INVESTMENT INCOME	1280	1154	2493	—	—	—	—
C - EXPENDITURE	3120	3205	3106	2860	3158	3195	1
1. Current (1)	2113	2426	2382	2238	2408	2437	1
a) Wages & Salaries	—	(675)	(731)	(757)	(839)	(886)	6
b) Goods & Services	—	(382)	(298)	(209)	(266)	(264)	-1
c) Transport Eqpt.	—	(21)	(20)	(21)	(25)	(26)	6
d) Other	—	(1,348)	(1,333)	(1,252)	(1,279)	(1,261)	-1
2. Development	779	629	564	502	650	657	1
3. Land Purchase	227	150	161	120	100	100	0
D - CAPITAL ALLOCATIONS	345	305	265	-173	198	205	4
E - BALANCE							
1. Stricto sensu (A - C)	31	-460	-761	-1129	-1179	-1140	-3
2. "Official" (A - C - D)	-315	-765	-1026	-1302	-1377	-1345	-2
3. Overall (A + B - C)	1311	694	1732	—	—	—	—

NRI bond to be on offer from Nov 14

AS part of its continuing commitment to serve non-resident Indians better, State Bank of India is offering yet another outstanding investment opportunity. The offer of NRI bonds-1988 will open all over the world on Nov 14, 1988 and close on Dec 15. The issue is being managed by SBI Capital Markets Limited, according to the SBI press release.

NRI bonds have been specially designed to meet the needs of non-resident Indians and the offer is in keeping with State Bank of India's philosophy of providing specially tailored services to NRIs.

The bonds now being issued by the bank provide the answer to the needs of non-resident Indians who have been on the lookout for an investment opportunity in India that ensures attractive returns, freedom from all tax liabilities in India, protection against any likely loss in the exchange value of the Indian rupee and complete security.

Allotment

The bonds are denominated in US dollar and are issued exclusively for non-resident Indians, maturing after 7 years from the date of allotment. The principal as well as the interest thereon is payable on maturity in non-repatriable Indian rupees.

The bonds will be in denominations of \$500, \$1,000, \$5,000 and \$10,000 to suit the convenience of NRIs.

The bonds shall bear interest at 1 per cent above the rate applicable to 3-year FCNR dollar deposits in India as on the date of opening of the issue. At the current 3-year FCNR dollar deposit rate of 10.5 per cent per annum, the interest rate for bonds works out at 11.5 per cent per annum. Interest will be compounded half-yearly in dollars and will be payable along with the principal on maturity after 7 years in Indian rupees.

Interest at the prescribed rate calculated in dollars will be payable in Indian rupees from the date of receipt of applica-



D. M. Ghosh, chairman of the State Bank of India announces the launching of NRI bonds at a press conference in Bombay. Picture shows from (left to right) Bharat Bhattacharya, D. N. Ghosh and D. Basu, managing director of SABICAP, managers to the issue.

tion to the date preceding the date of allotment (excluding transit period of 7 days). The investment therefore starts earning right away.

As bonds will continue to be denominated in dollars till their maturity, investment therein is fully protected against any likely loss in the exchange value of the Indian rupee vis-a-vis the dollar. These bonds will remain dollar till maturity—even if the NRI becomes a resident in India, gifts them away or transfers them in favour of another NRI.

Liquidity

The income and investment in the bonds are totally exempt from income tax and wealth tax until their maturity. These concessions continue to be available to the investor even if there is a change in his non-resident status and he becomes a resident in India prior to the maturity of the bonds. The same concessions are available to the transferee(s), survivor(s), as well as the recipient.

In order to provide liquidity to the investors, premature encashment of bonds will also be permitted on agreed terms and conditions after an initial lock-in period of three years

from the date of allotment. With this provision, the investment is not only fully secured and protected against any likely loss in the exchange value of the Indian rupee vis-a-vis US dollars, but after the initial lock-in period it remains virtually on call.

The bonds can be easily transferred to any other NRI simply by endorsement, delivery and registration with the issuing office. No permission or clearance would be required from any authority in India for such a transfer.

Loan against the bonds would also be available from banks in India after the initial lock-in period. NRI bonds would be an ideal instrument for gift. These can be easily gifted to a close relative (even a resident Indian) after a lock-in period of 3 years without attracting any provisions of the Indian Gift Tax Act.

Neither the donor nor the recipient would be subject to gift tax, wealth tax or tax on income from the bonds until maturity.

All the attractive features of the bonds like complete tax exemption, loan facility and continued denomination in

dollars will be available to the recipient as well. With this investment, it would be possible for the NRI to provide a reliable and attractive financial security for a dependent resident in India.

Advantages

These bonds could be very advantageous to NRIs for setting apart funds for making a long term investment in India like starting an industry or acquiring real estate, a home or a farm, even if such an investment decision is to be taken a few years from now.

Of course, if for any reason there is a change in plan, the bonds can always be easily transferred at any time to another NRI who may be in need of these bonds for use of rupee funds in India. This feature gives the investor tremendous flexibility and he can keep his options open after having invested in the bonds.

Application for NRI bonds may be made by the Non-Resident Indian in his own name, or jointly with another NRI, or jointly with a close relative resident in India with the arrangement for the proceeds to be payable to the "former" or "survivor".

Scheme offers more incentives to woo Indians to boost their remittances

NRI bonds to protect investment value

By M.C. Bose

THE announcement of the issue of NRI bonds has aroused considerable interest among the non-resident Indians. The main attractions being mentioned are a higher return on the investment, full exemption from taxes, protection of investment value, and a high degree of safety of investment. On some of these Arab Times sought the views of T. J. Mathew, a Kuwait-based economist. Mathew was an economist with the State Bank of India at its central office.

1. What has been the backdrop of introducing this new investment vehicle?

Introduction of NRI bond is yet another positive move of the government of India to attract the savings of Indians living abroad. Ever since the oil price boom of the '70s remittances of Indians financed a sizeable portion of the current account deficit of the balance of payments. Such remittances are now nearly \$3,000 million per annum.

Inflow

Although impressive this inflow of foreign remittances, the government's feeling may be that the potential for tapping this source of foreign exchange remains substantially high. Given the deterioration of India's balance of payments and external financing outlook, offering further incentives to woo the Indians to increase their remittances to India is nothing but a logical move.

But there is another side of the story. Since the introduction of the foreign currency non-resident scheme (FCNR) the government always feared that such deposits tend to move out of the country as the balances held in foreign currencies are repatriable. At least theoretically there existed a possibility of losing the foreign exchange held by the government in the event of repatriation.

This fear is not misplaced. Note that Reserve Bank's very attempt to keep the interest

payable on FCNR accounts always higher than the rates payable elsewhere in the world for deposits of similar maturity has been a deliberate move to discourage the outflow of funds.

FCNR funds thus possess all the characteristics of "hot money" which by its nature is ever on the move looking for greener pastures. At the slightest variation in yield they tend to move across the world. Indeed in the yesteryears there were instances where there was a net outflow from the FCNR accounts because during this period interest rates in foreign money centres were higher than those being offered in India.

Rupee balances are also repatriable but given the exchange loss involved in such conversions into foreign currencies and the attractive rates offered in rupee balances, the Indian authorities do not have to fear about the possible losses of exchange from its kitty. Therefore a possible explanation for introducing this attractive investment vehicle is to freeze the "hot money". Now that many of the non-residents are going to convert their FCNR balances (in some cases NRI rupee balances) into NRI bonds, the government can sit back and relax.

2. What in your view are the main attractions of this investment scheme?

On the plus side the best that an investor can get by investing in NRI bond is protecting his money from a possible erosion in the value of money during maturity period of the bond (seven years). That is to say, by keeping in dollars an investor can protect his investment without allowing his investment to depreciate in the event of the rupee weakening against major currencies.

By any standard, rupee is a weak currency. A combination of rising inflation, the rapidly deteriorating balance of payments position and an increasingly adverse international financing outlook suggests that rupee will weaken further in terms of major

currencies. Such weakening is absolutely essential in order to enhance the country's export potential.

The official strategy seems to effect a de facto depreciation of the rupee through arbitrarily fixing the exchange value in terms of an undisclosed basket of currencies, among which the dollar is known to have a significant weighting.

In order to understand the inherent weakness of the rupee one has to take a look at the movement of the rupee vis-a-vis the dollar in the past.

In 1970, one dollar was equivalent to Rs 7.50 and in 1980 it was Rs 10.23. By 1985 it was Rs 12.37 and now in 1988 it is equivalent to Rs 14.90. Barring a brief spell in 1986 and 1987—when the rupee's overall depreciation against the dollar was not substantial as dollar itself lost over 30 percent of its value internationally—rupee dropped at an annual average rate of 6 per cent per annum. Taking a look at the period ahead even any conservative projection may suggest a depreciation of the rupee by 4-5 per cent per year.

Funds

A second attraction is that an investor can enjoy a "tax holiday" for a period of seven years if he decides to change his status from a non-resident to a resident. Investment is free from wealth tax and interest income is free from income tax. Additionally, there is a gift tax exemption without any limit.

And thirdly, the return on the investment is attractive. It carries an effective interest rate of 11.85 per cent per annum. This return is higher by a little over one per cent annum. This return is higher by a little over one per cent than the interest offered on FCNR deposit.

What is more, if an investor finds NRI bond yield attractive enough, he can lock it for a longer period in case he considers the prospect of a downward pressure on dollar interest rates. FCNR deposits are accepted for a maximum term

of three years. 3. Can you see the incentives offered under the NRI bond scheme as a part of a strategy to curb flow of funds through unofficial channels?

It is very difficult to answer this question as remittances through unofficial channels are an outcome of a set of factors such as gold price differentials, the extent of smuggling of foreign goods and laundering of black money.

In view of these, such unofficial flow will continue until the government cracks down all the economic offenders operating from India and abroad.

However, there exists a strong case for offering greater incentives to non-resident Indians. It may be noted that India like any other developing country faces the problem of foreign exchange constraint owing to the lag between demand for foreign exchange and supply of it. That is to say the availability of foreign exchange does not meet the demand for foreign exchange at any point of time. As such, a unit of foreign exchange will fetch a premium, if it is allowed to be traded in the foreign exchange market (assuming that no foreign exchange control is in existence). The premium will vary depending on the demand pressure.

Going by this logic, one unit of foreign exchange earned by an Indian abroad commands a value higher than what he can get if he converts it officially at the ruling exchange rate.

An Indian working abroad when he sends his income through the official banking channels he does not get the scarcity value of foreign exchange currently. Hence the argument is that a non-resident Indian must be given a portion of this scarcity value in order to induce him to transfer his savings to India. Probably the government's move to offer NRI bonds must be seen as a part of an overall plan to share the scarcity value of foreign exchange partly, if not fully.

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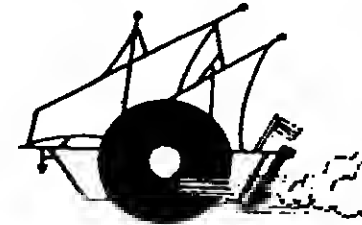
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Al Mulla Security Services maintains the highest standards

Security is the key word: Ron Hibbert

AL MULLA Security Services Co. has now been in operation eight years. The security centre which is the first of its type in the Kuwait private sector is fully equipped with the latest electronic surveillance equipment and alarm system.

Ron Hibbert, the General Manager of the Al Mulla Security Services Co. has said the centre has the facilities for servicing the company's cash carrying armoured vehicles, vaulting, salary packeting, security and data storage.

Due to the increased workload and in order to keep up with modern technology the service moved into a new Security Centre in Ardiya on February 9.

Hibbert said the Al Mulla Security Services Company is dedicated to providing professional security services and uses the expertise and management staff provided by Securicor International, one of the world's largest security companies, with over 50 years experience in the security field. Securicor employs more than 30,000 people in 18 countries around the world.

Security

The security control and vaulting centre of the Al Mulla Security Services has been designed to a high degree of security, incorporating the latest electronic security systems available, including sophisticated intruder alarms and closed circuit television. It is manned 24 hours a day, seven days a week, and is in constant

contact with a fleet of radio-controlled vehicles and security guarding force ready to respond to any emergency situation that may arise.

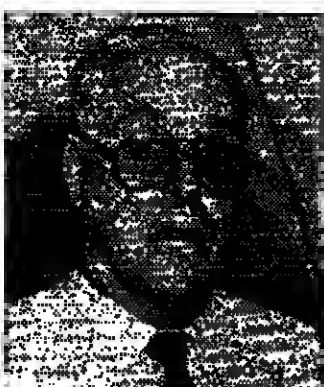
Al Mulla's clients can be assured that their valuables and premises are protected by highly trained staff.

He said a multinational guarding force is uniformed and trained in the highest international standards to carry out security duties in a variety of locations, including hotels, construction sites, residential and camp complexes as well as commercial banks and industrial premises. The fire hazard section includes the installation and maintenance of fire prevention, detection, fire-fighting and alarm systems. This service is tailor-made to suit each client's individual requirements. All the guards are fully trained in all aspects of security, including fire and flood prevention.

Growth

The biggest growth area in the Al Mulla Security Services Company has been in the transit of cash using the group's fleet of armoured vehicles. The crews for this service are selected from experienced and trusted guards who undergo a rigorous training schedule before joining the force.

A radio-controlled fleet of armoured trucks, the largest in the Middle East, constructed and designed to international standards, operates round-the-clock transporting cash and other valuables throughout



Ron Hibbert, General Manager, Al Mulla Security Services Company

Kuwait for various clients including all major banks, national, commercial and industrial companies.

Other services offered by Al Mulla Security Services include security shredding, computer data collection, alarm installation, electronic surveillance equipment including electronic entry systems.

Salary packeting is a service designed to help companies that employ a large number of staff. Al Mulla Security Services will collect the payroll and salary cheque on an agreed schedule and prepare the individual employee's salary packet to exact requirements at their security centre. It will then deliver in bulk to the retaining company or pay out to individual employees on the company's premises irrespective of the number of locations.

Armoured trucks will also undertake to transport any

where within Kuwait loads of high value, such as gold bullion and jewellery. Using escort vehicles with radio communication between each vehicle and the security is achieved while the valuables are in transit.

As part of its expansion programme the division is currently supplying, installing and maintaining electronic security systems which include computerised access control, fence perimeter detection and industrial control systems incorporating infra-red ultrasonic microwaves and seismic sensors.

In order to keep abreast of the national and international banks requirements, Al Mulla security staff are continually being trained on new services including the first line servicing and replenishment of Automatic Teller Machines and other bank support services.

Hibbert has been working with this company since 1985. He said Securicor started in UK in 1935 and the company has been operating in about 18 countries in the world including the Far East, Africa, Europe, West Indies and the Middle East.

"We also introduced new Valiant Control Panel system in Kuwait last year and one of the leading banks in Kuwait has already installed this system recently," Hibbert added.

He said a multinational guarding force is uniformed and trained to the highest international standards to carry out security duties.

Kuwait economy on a steady growth path

Bright forecast for economic upturn

THERE is a growing belief that the consolidation process, initiated four years ago with the aim of putting the Kuwaiti economy on a more sustainable growth path, has started to bear fruit.

For the first time since 1982, the non-oil gross domestic product has shown a positive growth in 1986, notwithstanding the collapse in the world oil market. Value-added in the non-oil sectors amounted, then, to KD3,156 million, up 6.4 per cent on the previous year, according to Kuwait Interim Economic and Financial Report published by NBK.

Overall GDP was, however, down 15.6 per cent to KD4,998 million, under the impact of a considerably reduced oil sector contribution. Conversely, the share of non-oil activities in total GDP showed a substantial increase to 63 per cent in 1986, up from 50 per cent in the previous year.

Among the fast-growing non-oil sectors, manufacturing — including petrochemicals — registered a substantial 47 per cent increase to KD555 million.

Construction, in contrast, continued to reflect subdued activity with the sector's value-added amounting to KD156 million, down from KD198 million in the previous year.

Trade, wholesale and retail, suffered a limited KD30 million drop to KD470 million. Other major sectors witnessed no significant change.

Headway

The considerable headway achieved in the implementation of the "Difficult Credit Facilities Settlement Programme" is gradually restoring confidence to the financial sector.

Initially, the programme — which guarantees the rights of depositors and the banks' shareholders' equity as of end-December 1985 — has had a slow start. But gradually, as debtors' sentiment turned more positive, the enforcement of the scheme gathered pace.

Data revealed by the Central Bank show that, as at January 7, 1988, banks have "technically" completed settlement agreements for 92 per cent of the total non-performing loans outstanding.

In a separate development, the Kuwait capital market, after a 5-year moratorium, has been reopened for foreign borrowers with the launch of a KD20 million (\$71 million), 7-year public bond issue for the Republic of Finland, the largest ever single public issue launched in the KD bond market. This was soon followed by a KD30 million (\$106 million) 7-year public issue arranged and lead-managed by the National Bank of Kuwait on behalf of the World Bank.

Tangible

Last year saw the first tangible results of the three-year-old effort to rationalise public finance. The closing accounts for 1986/87 show, indeed, that the drop in total revenues to KD1,731 million was, to some extent, offset by a substantial eight per cent drop in actual spending. This leaves a strictly defined deficit of KD1,129 million.

The new budget for 1987/88, announced on June 30, 1987, is a mere confirmation of the government's fiscal orientation set in the previous year. The anticipated gain in revenues (3.5 per cent) — mainly derived from firmer oil prices — will be used to finance a similar increase (3.4 per cent) in spending.

Development expenditure will benefit from a significantly higher increase of 7.5 per cent, clearly reflecting authorities' concern to support the productive sectors.

Besides, wages and salaries are set to increase by 10 per cent.

The resulting budget deficit,

scheduled at KD1,179 million, will probably turn out to be much smaller than projected.

It is of significance to note that the Kuwait State Reserves, estimated at KD25 billion by mid-1986, continue to provide a comfortable cushion to the country's public finance.

About KD14.3 billion are held in the Reserve Fund for Future Generations and the remaining KD10.7 billion are held in the State General Reserve.

In a move aimed at providing partial funding to the budget deficit as much as introducing more flexibility in the money market and financial system, the Council of Ministers approved, last September, legislation enabling the government to launch a public debt programme in the tune of KD1,400 million.

The new instruments will be issued to the bearer and may be purchased by Kuwaitis as well as non-Kuwaiti individuals and institutions.

Underwriting will, however, be restricted to banks and financial institutions subject to Central Bank supervision. The debt instruments will range from short-term 91-day Treasury Bills up to 10-year Treasury Bonds. As from Nov 21, the Central Bank started to invite tenders for the debt issues. This proved to be a great success, with the third issue (the last in 1987) attracting bids for KD722 million, 4.8 times the total on offer.

From a different perspective, 1987 was recorded as a particularly eventful year in terms of the Kuwaiti dinar exchange and interest rates. Breaking

with a two-year-old bearish undertone, the KD staged a marked recovery, not only against the weakening dollar but also vis-a-vis other major currencies.

In May, a downward adjustment brought the KD off a 7-year record high of 268.86 fils, but left it at levels significantly firmer than in the previous year.

Decline

The sharp decline of the dollar, in the wake of the sharp fall in the international stock markets, gave a strong boost to the dinar against the dollar but resulted in a relatively modest slide vis-a-vis other currencies.

Finally, as regards interest rates, monetary authorities were keen on installing a more flexible and market-oriented system. In March 1987, the Central Bank announced the overhaul of the 10-year-old lending interest rate structure.

In the meantime, it was endeavouring to guide money market rates downwards. The latest such move, enacted in November, was 1/2 per cent cut in the discount rate to five per cent. Far the foreseeable future, the market expects KD rates to steady around their present low levels.

The world's stock markets suffered a major setback in October 1987 when in a few days the gains of the previous months — years in some cases — were completely reversed. The crisis began on what was called Black Monday, on October 19, when the US Dow Jones Industrial index plunged by a record 22.6 per cent, 508 points, conjuring a spectre of a 1930's style depression.

Pace of global economic growth slows

oscillations.

With interest rates in the US for the immediate future appearing to level out in tandem to interest rate rises elsewhere, the recent upward momentum in the dollar has probably dissipated. In addition, strong central authority intervention to cap the dollar's rise suggest that policy makers are reluctant to see the US unit move higher, according to Currency Monitor.

Although economic growth may be trending lower, inflation concerns remain evident.

Therefore, towards year end, US interest rates could tick upwards which may provide the dollar with some marginal gains.

However, longer term, the US unit remains vulnerable on the downside with the process of adjustment of the global trade and economic imbalances continuing to be painfully slow.

Both in Japan and West Germany, export performance has remained resilient to their currency's present level with the trade and current account surpluses in both countries for

1988 unlikely to be significantly lower than last year's outturn.

As a result, in order to suppress export growth and to encourage imports into these economies, a further appreciation of both the DM and Yen by varying degrees is going to be necessary.

Despite the appalling UK trade numbers, present efforts to squeeze domestic demand, which has seen commercial bank interest rates rise from 7.5 per cent in May to currently 12 per cent, has served to underpin sterling.

Kuwait Dinar Exchange Rates
(in fils)

Currency	Rate Type	1986 Closing	1987 Closing	% Change	Average	HI	LO	CV ²
US dollar	CBK ¹	292.94	270.07	-7.8	278.80	292.23	269.02	1.68
Sterling	Spot	430.48	505.57	+17.4	458.12	508.07	419.27	4.80
Deutschmark	Spot	150.46	170.71	+13.5	155.59	171.13	148.77	3.54
Swiss franc	Spot	179.94	211.32	+17.4	187.78	211.44	177.05	4.35
French franc	Spot	45.38	50.34	+10.9	46.50	50.48	44.57	2.89
100 yen	spot	183.11	220.92	+20.6	193.85	221.06	180.34	4.81

1. KD = 1000 fils.
2. Coefficient of variation. The lower the coefficient, the greater the stability of the currency, and vice-versa.
3. Central Bank of Kuwait.

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Kuwait banks' aggregate balance sheet totals KD12.835b

Long-term strategy gives new fillip to economy

THE Central Bank of Kuwait, established in 1969, controls the banking system. As such it implements the government's monetary policies, including the regulation of domestic liquidity and the direction and cost of bank credit, supervises all banking institutions and is responsible for the protection of the banking system.

Besides its primary responsibility for the issue and management of currency, the bank is also banker to the nation's banks and financial institutions, as well as economic adviser to the government.

In keeping with the general development of the domestic economy, and of the financial sector in particular, the Central Bank has considerably expanded its own operations in recent years.

Active

An example of the Central Bank's bigger profile in Kuwait's financial system is its increasingly active role in the money market, affecting interest rate levels. This kind of activity has heavily underlined the highly regulated nature of the KD money market.

Besides the Central Bank, the financial sector in Kuwait comprises seven commercial banks, three specialised banks, some 24 investment companies, and a number of money exchange companies, supervised by the Central Bank.

In addition, there is the Kuwait Finance House (KFH), which is run in accordance with Islamic banking law and falls outside the Central Bank's gambit, and a number of insurance companies active in financial markets.

The seven banks comprising Kuwait's commercial banking sector operate 160 domestic branches and 12 overseas branches.

The Central Bank of Kuwait report has said the aggregate balance sheet of local commercial and specialised banks totalled KD12.835 billion last month, an increase of 1.1 per cent or KD133.4 million over the previous month.

The increase in assets resulted

mainly from a growth of KD71 million in foreign assets, KD35 million in local banks' balances with the Central Bank of Kuwait and KD12 million in credit facilities to residents, the CBK release said.

The domestic investments of local banks recorded a slight decline of KD25 million (KD19 million in commercial banks' investments and KD6 million in specialised banks' investments), it added.

The rise in the aggregate balance sheet of local banks was most pronounced in their foreign liabilities (KD109.4 million) and in other liabilities (KD64 million).

Rise

This rise was due to an increase in the CBK claims on these banks in the form of discounts and KD deposits. There was also an increase of KD26 million in government deposits with them — particularly with the specialised banks, whereas the private sector deposits declined by KD66 million

below their level in previous month.

The private sector KD-denominated deposits with commercial banks declined at varied rates below their level in the previous month. There was a 6.6 per cent (KD39.9 million) drop in sight deposits, a 2.2 per cent (KD14.3 million) decrease in savings deposits and a 1.7 per cent decline (KD37.8 million) on time deposits. Deposits denominated in foreign currencies grew in August and for the third consecutive month by 7.4 per cent (KD77 million).

In August, the average KD exchange rate against the US dollar fell 0.44 per cent below their level in the previous month. The US dollar exchange rate ranged between 282.49 fils and 285.07 fils, a monthly average of 283.85 fils, the release noted.

The CBK added against other major currencies, the KD exchange rate had a mixed performance. It increased against the Swiss franc, the French

franc, the Deutsche mark and the Italian lira by 2.90 per cent, 2.37 per cent, 2.03 per cent and 1.72 per cent respectively. The KD exchange rate decreased slightly against the pound sterling by 0.66 per cent and the Japanese yen by 0.57 per cent.

Stable

In August the KD exchange rate was generally more stable than the US dollar exchange rate. The KD exchange rate rose at rates less than those of the US dollar exchange rate against the same currencies.

For example, the KD exchange rate rose 3.37 per cent, 2.82 per cent and 2.48 per cent against the Swiss franc, the French franc and the Deutsche mark respectively.

At the end of August, the total balance of public debt instruments maintained its level of the previous month (KD1394.5 million), KD770 million for treasury bills and KD624.5 million for treasury bonds.

The Central Bank of Kuwait offered for issues (issue No. 18

to issue No. 21) treasury bills totalling KD400 million. Meanwhile, four issues (issue No. 10 to issue No. 13) of these bills, also totalling KD400 million, have matured.

Interest rates last month on interbank KD deposits on most maturities decreased slightly from the previous month. These rates ranged between 1.45 per cent (from 6.40 per cent to 6.30 per cent) and 1.86 (from 6.48 per cent to 6.36 per cent) on three-month and one-year deposits respectively.

Interest rates on US dollar deposits increased on all maturities at rates higher than those in the previous month, reaching, for example, 5.61 per cent (from 8.10 per cent to 8.55 per cent) on three-month deposits and 6.05 per cent (from 8.54 per cent to 9.05 per cent) on one-year deposits.

Expansion

Overseas expansion and diversification has been a feature of the commercial banking sector in recent years, owing in no small part to the difficult economic conditions locally.

Some banks were ahead of the game. As long ago as 1981, some banks began to formulate a long-term strategy. Foreseeing the 1983 slowdown in business activity, some planners based the strategy on three points: steady international expansion, a move into investment banking, and development of a substantial domestic client base.

Results followed quickly. These banks were successful in attracting new business.

For the near future, commercial banks expect to continue moving into investment banking fields, foreign currency and investment management services, while developing capital market capabilities.

The three specialised banks — the Industrial Bank of Kuwait (IBK), the Real Estate Bank and the Credit and Savings Bank — service the sectors of construction, housing and real estate, local industry, and agriculture with medium- and long-term finance.

Reuters launches Pocketwatch service

REUTERS, the leading world news and information organisation, yesterday announced the launch in Kuwait of a portable terminal to monitor price quotations from major world financial markets.

Called the Reuter Pocketwatch, the new service uses an alpha-numeric pager supplied by Kuwait's Mobile Telephone System Company to deliver up-to-the-minute quotations for major world currencies, financial instruments, stock market indices and bullion.

The contract for the Reuter Pocketwatch was signed yesterday at Mobile Telephone's headquarters by the company's Chairman and Managing Director, Abdullah M. Al Sabei, and Barry Simpson, Reuters Manager, Kuwait and Iraq.

"With the continuing volatility of world markets, dealers and investors need to be in constant touch with market movements," Simpson said. "Now with the Reuter Pocketwatch, for the first time in Kuwait, they can literally carry the markets in their pockets."

The Reuter Pocketwatch displays constantly updated rates for the Kuwaiti dinar and four other major currencies against the dollar, as well as gold and silver, the Dow Jones index, the US Long bond and three-month Eurodollar deposits. More quotations are expected to be added in the future.

Reuters supplies a wide range of service both to business subscribers and to the news media. It obtains its information from around 153 exchanges and over-the-counter markets, from data contributed directly from more than 3,500 subscribers in 79 countries and from a network of some 1,180 journalists, photographers and cameramen. Reuters distributes information via 165,000 video terminals and teleprinters and directly into the clients' computers.

For more information please contact Barry Simpson, Reuters Manager, Kuwait and Iraq (Telephone 2431920).

Citibank offers new service to NRIs



Sanjay Sondhi

marks confuse the issue. The return on investment in these currencies should be looked at as a sum of interest plus currency appreciation. This is not an offer for individuals to dabble in foreign exchange markets to make short term gains. It is an opportunity to make medium term investments in a range of currencies backed by economies which are mature, strong and growing.

"It is an attractive package for the increasingly sophisticated NRI investor and the scheme matches any offered by the best offshore centres in the world," Zachariah added.

Sondhi stresses on the accessibility of the foreign currency deposits within 72 hours provided it is not a holiday in New York.

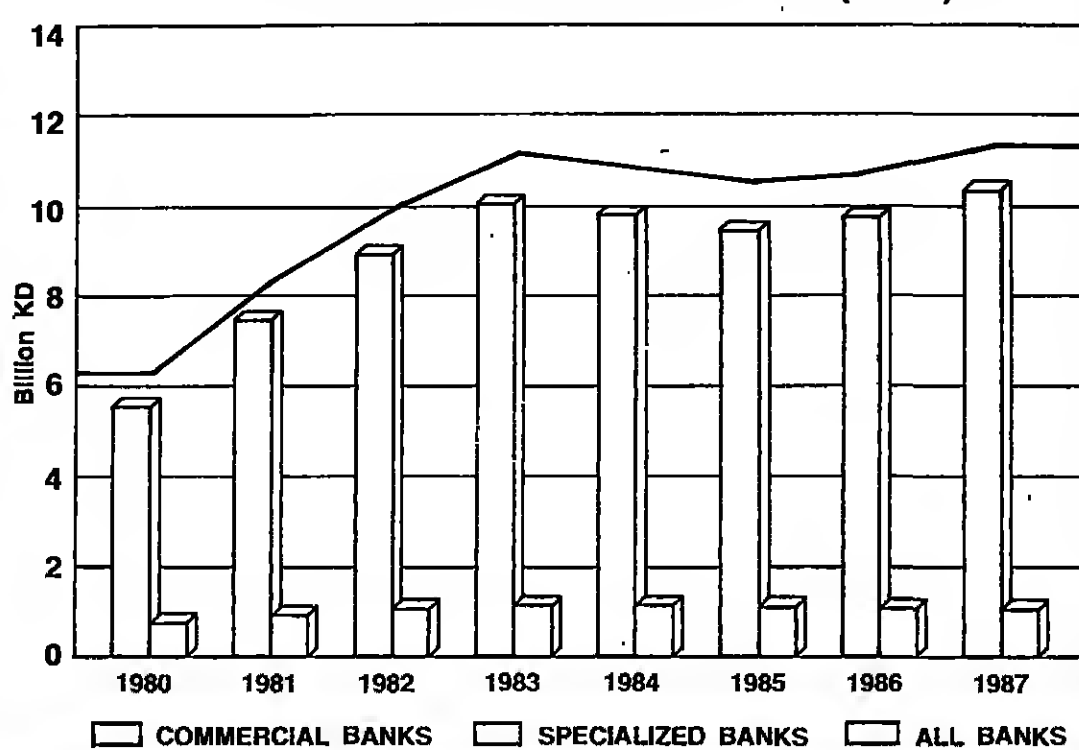
Citibank has mounted an aggressive campaign to build on its already substantial NRI business in Kuwait with enhanced service playing the key role in the strategy.

"The days of a banker sitting back and waiting for business are over and we want to move out aggressively and get the message across to the customer," Sondhi said. "We provide the sort of service to the customer who expects from a leading international bank and this has been our unique selling point."

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KUWAITI BANKS: TOTAL ASSETS (80-87)

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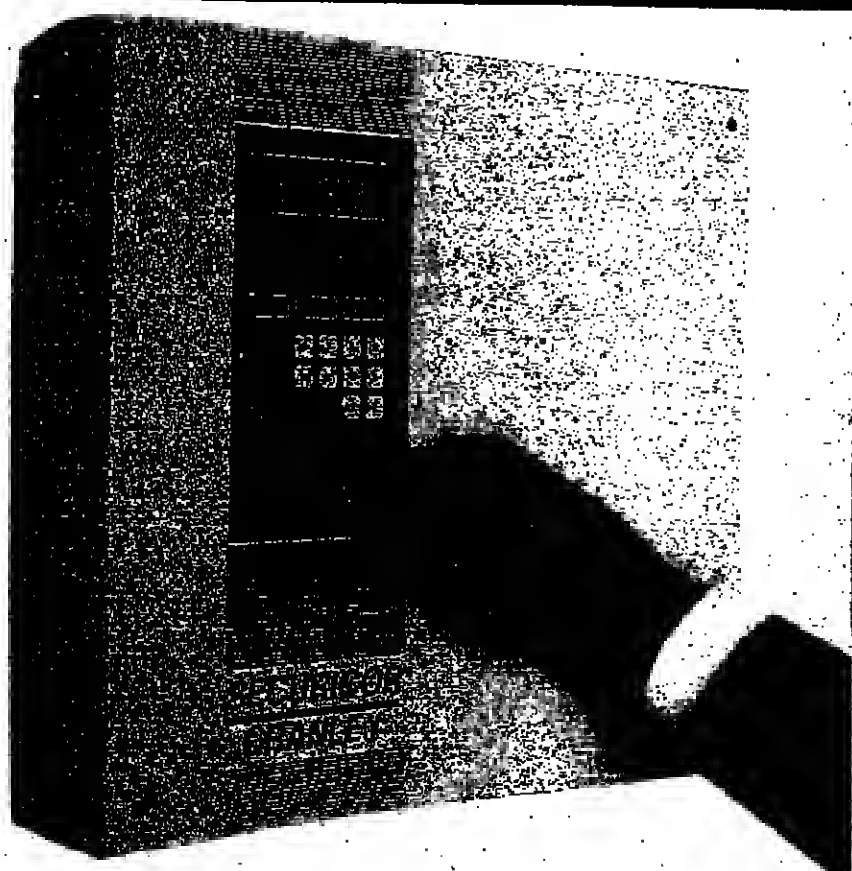
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BUSINESS & FINANCE

Lower currency will make American goods cheaper on world markets

Further dip in dollar needed, say economists

NEW YORK, Oct. 29, (Reuters): Economists and currency dealers expect the dollar to slide further, with some arguing it needs to lose around five per cent to the yen and about three per cent to the mark to ensure improvement in the US trade picture.

A lower dollar would make American goods cheaper on world markets and imports more expensive in the United States.

Those who believe a weaker dollar is needed say it should drop and remain lower to shrink the US trade deficit over time, a Reuters world survey shows.

Exports
"What you need is a lower dollar both to keep US exports going and to slow imports into this country," said Geoffrey Dennis, chief international economist here for British-based James Capel Inc.

The appropriate dollar level according to traders in major financial centres is around 120 yen and 1.70 to 1.75 marks.

Estimates ranged as low as 100 yen and 1.54 marks and up to 140 yen and 1.85 marks. Some also said there was no 'magic' point.

The dollar was mixed at mid-day yesterday after closing below 126 yen and 1.78 marks on Wednesday.

Most market participants are bearish on the long-term prospect for the dollar, citing the US trade and budget gaps and belief the US economy is slowing as reason for their projection.

Since February 1985 the dollar has tumbled over 50 per cent against the yen and mark. While it has partly rebounded this year, some economists said it remains under its "purchasing power parity" value, the theoretical level where world trade flows balance.

And it is argued that it must remain below this level — which, by one estimate, is 160 yen and 1.90 marks — because of the magnitude of current world imbalances.

"The problem is that the imbalances are so large that we need to overshoot, just as we did on the way up," said Stephen Leach, currency analyst at Chemical Bank in New York.

While several market participants said the dollar needs to weaken further, the Reagan administration has signalled it is content with recent dollar levels. The Treasury this week said it expects more improvement in the trade balance at least through 1989, even without further exchange-rate changes.

Exceptions
It predicted the US merchandise trade deficit, on a balance-of-payments basis, would fall around \$30 billion this year, to about 130 billion. The current deficit, a wider measure lumping trade and other financial dealings, is forecast to drop about \$20 billion, to 134 billion.

While several market participants believe a lower dollar is needed, there were exceptions, in part reflecting regional interests.

In Australia, economists believe the appropriate value for the dollar is a higher one — at 140 yen and 1.80 marks. They also believe the Australian dollar should fall to 75 cents from its current level of near 83 cents.

Australia needs a decline in its own currency to boost its trade position and cut its current account gap, analysts said.

And in Paris, the business forecasting institute Ipecode said the dollar next year could trade on average at 1.85 marks but fall to 121 yen by the fourth quarter of 1989.

"These rates will be low enough to allow the US trade deficit to continue to improve and also satisfy central banks in the US and Europe," said an Ipecode economist.

But in London economists said an appropriate level to cut the current account gap would be about 120 yen and 1.75 marks.

"On a 'PPP' basis (purchasing

power parity), the dollar is undervalued," said Ceris Williams, chief international economist at London-based Midland Montagu.

"But to generate a much larger improvement in the trade balance and thus the current account, the dollar needs to be below the 'PPP' levels for some time, perhaps a year to 18 months."

Favourable
Opinions about the dollar's appropriate level vary in Tokyo, with one banker arguing there is no such level and another placing it as low as 100 yen and 1.54 marks.

Hirozumi Tanaka, assistant general manager at Dai-ichi Kangyo Bank, sees it differently, saying, "In terms of Japanese exporters, around 125-yen levels are favourable. And in terms of

the US (trade) deficit, 120-yen levels would be good."

In Frankfurt, Dieter Wer-muth, vice president at manufacturers Hanover GMBH, said: "It is a question of how long the investors are ready to finance the US current account deficit and as long as that is the case, the market value is the appropriate one. "But be added that 1.60 marks was "a nice level for correcting trade imbalances."

James Capel's Dennis in New York said an appropriate level would be 118 yen and 1.68 marks, a level he believes the dollar will trade at in about a year.

"You need to be at least there to get the adjustment process working again and to get the deficit down," he said.

Based on his forecast, Dennis expects the overseas merchandise trade deficit to fall to \$140 billion this year from \$170 billion in 1988. He expects a further decline next year, to \$125 billion.

World Business Summary

GM posts profit rise and Chrysler profit slumps

DETROIT, Michigan, Oct. 29, (AP): General Motors Corp. reported yesterday that its third-quarter earnings rose to \$859.2 million, an industry record for the period, while Chrysler Corp. said its third-quarter profit slumped 54.3 per cent. GM cited rebounding North American sales and continued strong performance overseas, while Chrysler blamed its profit decline on heavy costs for incentives and the retolling of a Delaware assembly plant. GM, the nation's largest automaker, said its profit amounted to \$2.46 per share during the July-September period this year. The company had originally reported a profit of \$812.3 million, or \$2.28 a share, for the third quarter of 1987, but said yesterday that accounting changes made the comparable figures for last year \$421 million, or \$1.05 per share. GM reported third-quarter sales of \$25.04 billion, up 10.8 per cent from \$22.6 billion a year earlier. GM's latest earnings represent the industry's biggest third-quarter profit ever, and were \$2.9 million higher than Ford Motor Co. reported for the period on Wednesday. In the third quarter of 1987, GM adjusted the service lives of its plants, equipment and special tools, allowing for greater depreciation. From the first nine months, GM said it earned \$3.46 billion, on sales of \$81.38 billion. That compares with adjusted nine-month earnings of \$2.72 billion on sales of \$75.4 billion. Chrysler said it earned \$112.5 million on sales of \$7.01 billion during the July-September period this year. During the three-month period last year, Chrysler said it earned \$246 million on sales of \$6.17 billion. In a statement, Chrysler said that in addition to the high costs of incentives, which the company used extensively to lure buyers into showrooms, and the closing for the entire period of the Newark, Delaware, assembly plant, the company had a heavier proportion of fleet sales over more profitable individual car sales.

New two-tier exchange rate may lead to price rises, says Sudan

KHARTOUM, Oct. 29, (Reuters): Sudan said yesterday a new two-tier foreign exchange rate would probably lead to price rises and would be followed by other reforms to its economy.

"This is the beginning of a series of corrective policies. It will be followed by new economic and fiscal policies," Minister of State for Finance Al Tigrani Al Tayeb said without giving details.

He told a news conference prices were likely to rise at least temporarily following the new currency system introduced on Wednesday, under which the official rate of 4.5 pounds to the dollar was devalued to about 11.45 pounds for some transactions.

No further devaluation would follow, Tayeb said.

Talks
Sudan, due to hold talks next week with the International Monetary Fund (IMF), has been unable to fully service foreign debts of \$12 billion and Tayeb said inflation was running at an annual rate of between 40 and 50 per cent.

The economy has been ravaged by years of civil war in the south and by floods and locusts this year.

The new exchange rate applies to 30 per cent of export earnings and some imports and to remittances from a million Sudanese expatriates and earnings of first-class hotels.

Sudan hopes the new rate will boost exports, lure home the savings of Sudanese abroad and reduce the influence of the black market, on which the dollar was fetching more than 12 pounds yesterday.

The IMF, which declared Sudan ineligible for fresh credits in 1986, has long urged Sudan to adjust its currency to boost exports.

South Korea's GNP expected to grow by 11pc

SEOUL, South Korea, Oct. 29, (AP): South Korea's gross national product is expected to grow by 11 per cent in 1988, up from the initial projections of 10 per cent, the Bank of Korea said today.

Kim Kon, governor of the Central Bank, said the projection was revised upward after third-quarter indicators showed that exports and domestic demand were strong and capital investment was expanding.

It would be the third consecutive year for the nation's GNP to register a double-digit growth rate. The rate was 12.3 per cent in 1986 and 12.0 per cent in 1987.

Growth
Kim said Central Bank forecasts placed GNP growth at 13 per cent in the third quarter, or July-September 1988, up from 10.3 per cent in the same period last year. He also said that regardless of whether the economy slows down in the fourth quarter of this year, the Central Bank expected substantial growth figures.

South Korea's GNP advanced 14.9 per cent in the first quarter of this year but slid down to 9.1 per cent in the April-June period when many industries were hit by labour strikes for higher wages and improved working conditions.

A less stormy October for stocks

Market averages show some modest gains

NEW YORK, Oct. 29, (AP): October 1988 has been no prize-winning month for the stock market. But, considering the historical alternatives, many investors will take it without much complaint.

With one session left on Monday before the month ends, stock market averages show some modest gains since the end of September.

Stocks got through the first anniversary of Black Monday on Oct. 19 relatively unscathed. Indeed, two days later several market indicators reached their highest levels since the crash.

If there is a sense of relief on Wall Street as the month draws to a close, however, there is very little elation.

The market's rally since late summer has failed to impress many analysts, who note that it has done little to lift the prices of the many small-to-medium-size issues known as "secondary" stocks.

Business remains bad in many areas of the securities industry, as witness the planned layoffs of about 1,000 employees announced by Shearson Lehman Hutton a few days ago.

Activity
On top of all that, many analysts worry that what activity has occurred in the market lately is dangerously speculative, based as it is on a frenzy of takeover deals and rumours.

In the view of a good many

observers, both the buyout specialists who acquire stocks with borrowed money and the traders who follow in their wake are engaged in the kind of activity that often comes at market peaks.

"One of the mesmerising ingredients of market tops is the latest fad," said Justin Marris, an analyst at Cowen and Co.

"Fads, whether they be toys or hot tips or tulip bulbs, provide excitement, motivation to buy and a justification for paying a lot of money for something you hadn't realised was so desirable before."

"The bidding war euliminate in top-of-the-market prices, meaning someone eventually will wind up a loser because that's the

nature of markets."

Warnings of that sort have struck home lately, prompting a selling squall in the stocks of many companies involved in takeover deals and rumours.

Decline
With a 33.61-point decline to 2,149.89 in the past week, the Dow Jones average of 30 industrial stocks to a net gain of 36.98 points for October to date.

Other readings for the week showed the New York Stock Exchange composite index down 2.63 at 156.79; the NASDAQ composite index for the over-the-counter market down 5.80 at 382.79, and the American Stock Exchange Market value index down 4.32 at 301.75.

Volume on the Big Board averaged 170.03 million shares a day, against 170.63 million the week before.

Market-watchers say it would be simplistic to argue that takeovers and buyouts have been the only prop under the stock market this year.

"Stocks have risen for other reasons, like strong earnings, dividend increases and continued economic growth," said John Connolly at Dean Witter Reynolds Inc.

Indeed, General Motors shares were a conspicuous gainer in the past week, rising against the tide of takeover jitters on the strength of a much better-than-expected quarterly earnings report.

IMF chief urges industrial world to break Third World poverty

PARIS, Oct. 29, (Reuters): IMF Governor Michel Camdessus said yesterday that the industrial world had to foster economic growth to haul developing nations out of a cycle of poverty and debt.

He told the influential Club of Rome, which in the 1970s advocated a slowdown in economic growth, that the Third World could only shake off its debt shackles by expanding economically, and the developed world had to help.

Camdessus, regarded as the world's top finance official in his post as head of the International Monetary Fund (IMF), addressed the annual meeting of the club, a key group of government leaders, scientists, economists and businessmen.

The club, founded 20 years ago, seeks to influence national policies by recommending new strategies for solving world problems.

Chance
"It is only if growth is sustained in the industrialised countries of the developed world that the Third World will have a chance to succeed," Camdessus said.

Global trade must remain open and unfettered by protec-

tionism, the International Monetary System should be reformed to provide more stability, and the flow of money out of the Third World and back to the developed world must be stopped.

Camdessus told his audience: "I know that if we give you growth, you will give us development."

He warned that one of the major dangers ahead was the erosion of national trade barriers.

Protectionism
"Every day we saw we're all against protectionism and every day the industrial countries reinforce protectionism," he said. "If we have growth in industrial countries, if we have a more open trade system, if we have an international monetary system that has been reformed... then our ambition to make sure that there is growth in the debtor countries despite their debt... becomes realistic," he said.

Founded in 1968 to bring together top thinkers and focus attention on long-term problems of global evolution, the Club of Rome leapt to prominence in the early 1970s with the publication of its first report, "The Limits to Growth."

The report's underlying theme

was that world resources were finite and could not support unending industrial growth.

Translated into 37 languages, the report reached an edition of 10 million and was seized upon by an emerging world environmental movement for the idea that food and energy supplies would run out unless there was an agreed halt in both economic expansion and population growth.

Oil prices firm

LONDON, Oct. 29, (Reuters): Oil prices firmed 50 to 60 cents a barrel on world spot markets yesterday as traders looked towards further OPEC talks next month on way to cut excess organisation output and tighten the sagging market.

They said that late in Europe's day, Brent Blend from Britain's North Sea, the most widely traded crude, was quoted around \$12.65 per barrel.

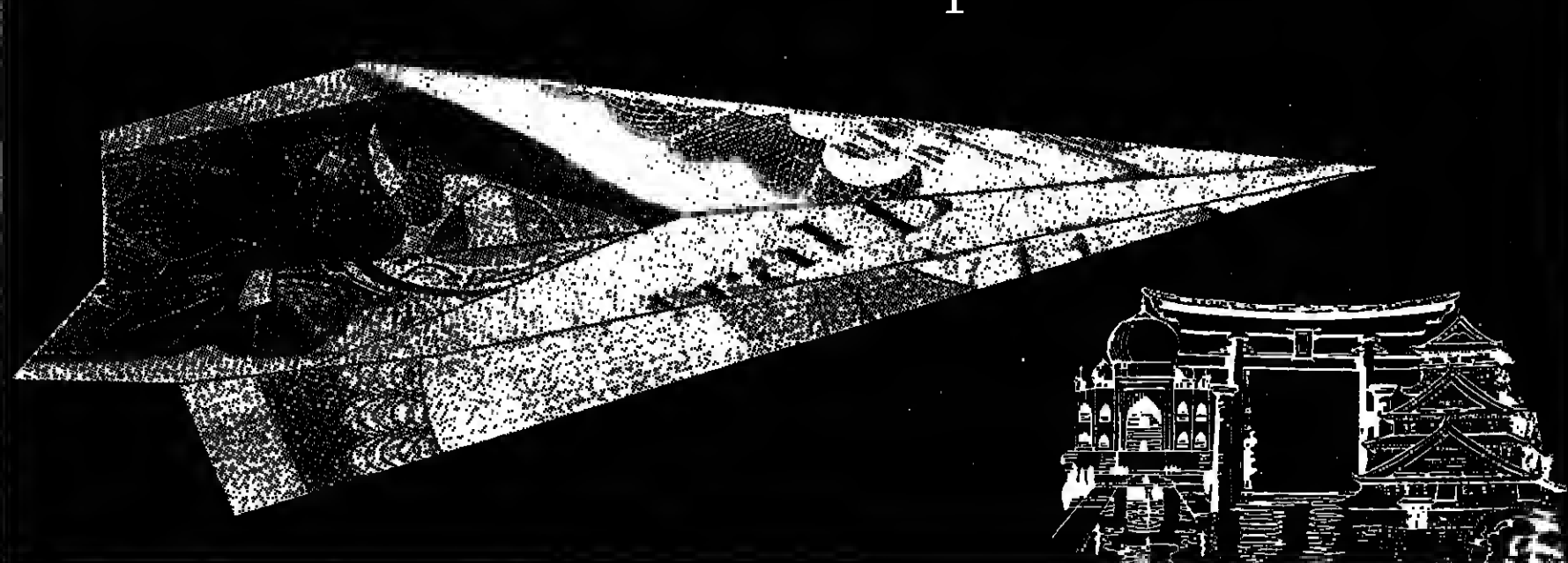
They said the run-up to meetings of the Organisation of

Petroleum Exporting Countries was usually peppered with confident statements from OPEC ministers.

Prices
This caused some precautionary buying by most trading companies, thus allowing oil prices to rise.

Another factor behind Friday's firmer market was concern that supply of some refined products in the United States might be tight.

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Alshall stock price indices

Trade volume dips as market continues to show mixed trend

THE ALSHALL Index for Kuwaiti shareholding companies recorded on Wednesday an average of 42.69 points with no change from last week's average. Alshall Index for Gulf shareholding companies reached 48.88 points with a decrease of 0.21 point—0.4 per cent—for the same period.

The trading volume for Kuwaiti shares (for three days trading) reached 11.99 million shares at a daily average of 4.00 million shares with a decrease of 39.4 per cent from the previous week's daily average of 6.60 million shares.

Gulf traded shares reached 17.47 million shares at a daily average of 5.82 million shares with an increase of 17.5 per cent over last week's daily average of 4.95 million shares.

The value of Kuwaiti traded shares was KD5.621 million at a daily average of KD1.874 million, a decrease of 28.3 per cent from last week's daily average of KD2.613 million.

The value of Gulf traded shares was KD0.893 million at a daily average of KD0.298 million an increase of 66.3 per cent over last week's daily average of KD0.179 million.

Market performance continued this week to show mixed signs, which were inclined to be negative at the Kuwaiti shares market and positive at the Gulf shares market.

However, Alshall Consultants believe that the trade volume of Gulf shares will decrease considerably after the decision taken by the Stock Exchange authorities to close the parallel market by the end of this year. As a result of the implementation of the decision many companies that do not meet the listing requirements will have to withdraw.

For the Kuwaiti shares market, the banking sector came first at 78 per cent of total trading with a considerable increase over 55 per cent.

The Commercial Bank led in the sector at 29 per cent, followed by The Gulf Bank at 24 per cent and Kuwait National Bank at 22.4 per cent.

Second came the services sector at 12 per cent of total trading of which Kuwait Investment Projects Company—which was newly added to the Investment Sector—led at 53 per cent followed by Investment Pearl Kuwait at 20 per cent and Commercial Facilities at 15 per cent.

The investment sector came third at six per cent of total trading in which Kuwait Investment Projects Company—which was newly added to the Investment Sector—led at 53 per cent followed by Investment Pearl Kuwait at 20 per cent and Commercial Facilities at 15 per cent.

For the Gulf shares market, the financial sector led at 59 per cent of total trading volume. Ras Al Khaima White Cement led at 38 per cent of total trading in both markets, followed by Bahrain and Middle East Bank at 30 per cent and Coast Investment and Development Company at 21 per cent.

Kuwait shareholding companies index

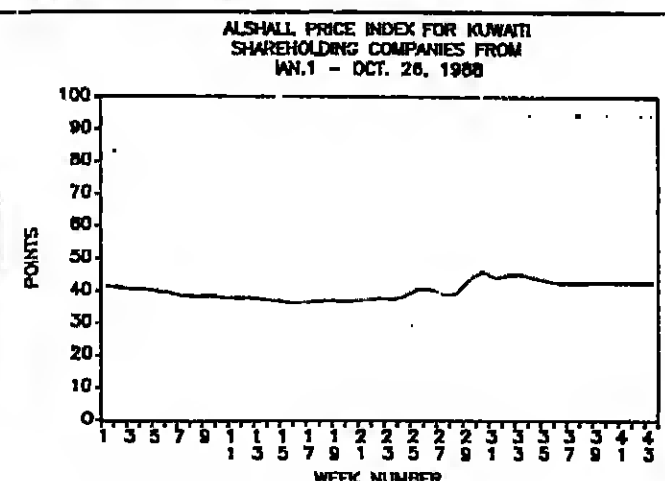
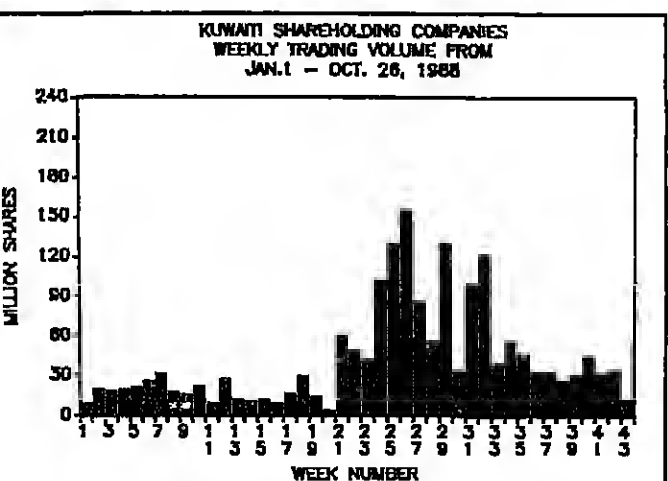
	Wednesday 26/10/88	Wednesday 19/10/88	Change points
Banking Sector			
Kuwait National Bank	113.63	112.62	1.01
The Gulf Bank	35.22	35.63	-0.41
The Commercial Bank	27.44	27.44	—
Al Ahli Bank	36.04	36.04	—
Bank of Kuwait & M. East	34.30	34.30	—
Kuwait R. Estate Bank	30.95	30.95	—
Burgan Bank	31.22	31.22	—
Kuwait Finance House	84.66	84.66	—
Sector Index	48.83	48.72	0.12

Investment Sector			
Kuwait Investment Co.	27.18	27.18	—
Kuwait Int. Invest. Co.	24.40	25.43	-1.03
Inv. Pearl Kuwait	82.54	84.13	-1.59
IFA	73.53	73.53	—
Commercial Facilities	120.00	120.00	—
Sector Index	38.09	38.48	-0.37
Insurance Sector			
Kuwait Insurance Co.	39.68	39.68	—
Gulf Insurance Co.	26.92	26.92	—
Al Ahleia Insurance Co.	51.28	51.28	—
Warba Insurance Co.	77.32	78.18	-0.86
Sector Index	40.25	40.30	-0.05
Real Estate Sector			
Kuwait Real Estate	29.57	29.57	—
United Realty	10.95	11.17	-0.22
National Real Estate	40.21	40.21	—
Sector Index	20.67	20.79	-0.13
Industrial Sector			
Kuwait Cement Co.	17.38	17.38	—
Refrigeration Indust.	91.14	91.14	—
Gulf Cables	112.10	111.07	1.03
Kuwait Pharmaceutical	91.56	93.33	-1.78
Sector Index	36.21	36.17	0.03
Services Sector			
Kuwait Computer Co.	192.24	192.24	—
Kuwait Cinema Co.	9.04	9.04	—
Public Warehousing Co.	78.79	79.80	-1.01
Kuwait Comm. Markets Co.	33.96	35.95	-2.00
Mobile Telephone Syst.	328.57	328.57	—
Sector Index	62.03	62.43	-0.40
Food Sector			
Livestock Trad. & Transp.	46.38	46.38	—
United Fisheries	10.91	10.91	—
Kuwait United Poultry	79.21	79.21	—
Kuwait Food Co.	71.26	72.41	-1.15
Sector Index	42.00	42.20	-0.20
Overall Index	42.69	42.70	-0.01

Gulf shareholding companies index

	Wednesday 26/10/88	Wednesday 19/10/88	Change points
Financial Companies			
First Gulf Bank	163.16	163.16	—
United Gulf Bank	34.48	34.48	—
Bahrain Internat. Bank	95.17	95.17	—
Bahrain M. East Bank	98.71	93.97	4.75
Gulf Investments Co.	61.03	61.03	—
Coast Inv. & Dev. Co.	97.14	99.05	-1.90
Bahrain Kuwait Inv. Gro.	58.76	60.30	-1.55
Arabian Gen. Inv. (SHUAA)	51.52	53.03	-1.52
Sector Index	64.25	64.52	-0.27
Other Companies			
Gulf Cement (fully paid)	13.68	13.68	—
Sharjah Cement	10.50	10.50	—
Fujairah Cement	8.55	8.55	—
Ras Al Khaima W. Cement	28.33	28.33	—
Gulf Medical Projects	30.90	32.56	-1.66
Sector Index	16.66	16.74	-0.08
Overall Index	48.88	49.09	-0.21

Base Period 31/12/1983.



Kuwait dinar deposit rates steady

KUWAIT, Oct. 29, (Reuters): Kuwaiti dinar deposit rates changed little today in quiet trading amid tight liquidity from dollar buying last week.

Players kept long dollar positions, believing the US currency would strengthen, even though it slipped against the dinar today and there was little fresh buying.

The Central Bank dinar exchange rate firmed to 0.2794/51 to the dollar from Thursday's 0.2795/05, while commercial banks quoted spot rates of around 0.2795/53.

Funds

Overnight funds dealt at 15 per cent, the high of Thursday business, while spot next was given at eight per cent.

Banks were reluctant to trade in periods longer than one month to stabilise year-end accounts. One-month deposits were quoted at 7-1/8, 6-3/4 per cent, close to Thursday's range, after business at seven per cent.

Two and three-month money was quoted at 6-7/8, 3/8 per cent and six-month at 6-3/4, 3/8 per cent.

Meanwhile, Saudi riyal inter-bank deposits were little changed in quiet trade which focussed on the short end of the market as banks covered positions.

Business was thin in a normal trend for the European weekend, when many major players are absent. But dealers said they expected deposit rates to decline in the coming month as offshore banks begin speculating against a possible riyal devaluation when the Saudi budget is announced at end-1988.

Move

Banks in the kingdom have already taken long dollar positions in anticipation of the move, which would increase the value of the kingdom's dollar-denominated revenues.

Tomorrow's next traded at levels of 8-7/8, 1/2 per cent and spot next at 8-5/8, 1/8 per cent. One-week was also indicated at 8-5/8, 1/8 per cent.

Fixed periods were quiet, with one-month to one-year deposits all indicated little changed from Thursday's levels.

Gulf banks are shut during the muslim Friday weekend.

US ends '88 financial year with \$155.1b deficit

WASHINGTON, Oct. 29, (Reuters): The federal budget deficit widened to \$155.1 billion in the 1988 financial year, which ended last month, from \$150.4 billion in the previous year, the Treasury Department said yesterday.

The deficit was above the Reagan administration's projection of a \$152.5-billion shortfall and well above the \$144-billion deficit target set by a balanced budget law.

For the 1988 financial year, the government's budget receipts from taxes and other sources were \$908.95 billion, while outlays were \$1,064 trillion.

In September, the final month of the 1988 financial year, the government recorded a budget surplus of \$10.21 billion, mostly because of a seasonal surge in corporate tax payments which were due by the middle of last month.

The Reagan administration has projected a deficit for the 1989 financial year, which began on Oct. 1, of \$146.7 billion, but private economists have predicted it will be slightly higher.

NRI investment

UNDER the auspices of NRI Investment Forum, Kuwait, Kamlesh Gandhi, President of Champakali Investment and Financial Consultancy Ltd, Bombay, will deliver a lecture on "NRI investment in India" at the Indian embassy hall on Thursday at 7 pm. All are cordially invited.

KUWAIT							AMMAN		
	P.CLS	LT	HIGH	LOW	VOL	TRADE		OPNG	CLOS
BANK SECTOR									
-NATIONAL BANK	1.112	1.110	1.110	1.110	170000	7	ALA-ADDIN COMPANY	1.25	1.28
-GULF BANK	0.425	---	---	---	---	---	ARAB ALUMINUM IND.	1.88	1.92
-COMMERCIAL BK	0.315	0.315	0.315	0.315	130000	5	ARAB BANK	129.0	130.5
-AHLI BANK	0.375	0.375	0.375	0.375	110000	5	ARAB CHEMICAL DTER	4.15	4.25
-S.K.M.E	0.390	---	---	---	---	---	ARAB FINANCE CORP.	1.75	1.78
-K.R.E.B.	0.390	0.390	0.390	0.390	10000	1	ARAB INSURANCE	0.95	1.00
-BURGAN BANK	0.315	0.310	0.310	0.310	70000	4	ARAB INT. INV/TRADE	0.98	0.98
-K.F. HOUSE	0.560	0.560	0.560	0.560	55000	4	ARAB INT. UNION INS	0.90	0.99
INVESTMENT SECTOR							ARAB INTER. HOTELS	0.58	0.58
-KWT INV. CO.	0.148	---	---	---	---	---	ARAB JOR/INVEST/BK	2.10	2.10
-K.F.T.C.I.C.	0.210	---	---	---	---	---	ARAB PAPER CON/TRD	0.32	0.30
-K.I.T.C.	0.142	---	---	---	---	---	ARAB PHARMA. MANF.	2.08	2.12
-COM. FACILITIES	0.480	---	---	---	---	---	ARAB PHARMA/CHEM	0.76	0.75
-AHLIAN INV.	0.000	---	---	---	---	---	ARAB POTASH CO.	---	---
-I.F.A.	0.100	---	---	---	---	---	ARABIAN SEAS INS.	1.65	1.65
-INV. PEARL KWT	0.104	---	---	---	---	---	BANK OF JORDAN	15.50	15.46
INSURANCE SECTOR							BELGIUM INSURANCE	1.00	0.95
-KWT INSURANCE	0.730	---	---	---	---	---	CAIRO AMMAN BANK	29.00	28.00
-GULF INSURANCE	0.350	---	---	---	---	---	CONFECT/CHOCOLATE	1.05	1.25
-AMLIA INS. CO.	0.580	---	---	---	---	---	DAR AL SHAAS PRESS	0.71	0.69
-WARBA INS. CO.	0.450	---	---	---	---	---	DAR ALDAWA DV/INV.	1.88	1.92
REAL EST SECTOR							DARCO/INVEST/HOUS.	0.58	0.60
-KWT R. EST. CO.	0.232	---	---	---	---	---	FINANCE/CREDIT/COR	0.55	0.55
-UNI R. EST. CO.	0.098	---	---	---	---	---	GARAGE OWNERS OFF	3.95	4.00
-WAT R. EST. CO.	0.202	---	---	---	---	---	GENERAL INSURANCE	2.39	2.63
-SALMIAN R.E.	0.080	---	---	---	---	---	GENERAL INVESTMENT	1.30	1.37
-KWT R.E.I. CON	0.000	---	---	---	---	---	GENERAL MINING.	1.38	1.37
INDUSTRY SECTOR							MINERALS	0.75	0.75
-MAT IND. CO.	0.540	---	---	---	---	---	HOLY LAND INS.	1.25	1.30
-KWT H.P. IND.	0.300	---	---	---	---	---	IND. MATCH JENCO	0.71	0.72
-KWT CEMENT CO.	0.255	---	---	---	---	---	INDSTRL DEVLPT BAK	1.50	1.50
-REF. IND. CO.	0.415	---	---	---	---	---	INDSTRL/COM/AGR.	1.26	1.27
-K.A.H.T. CO.	0.000	---	---	---	---	---	INDUSTRIAL INVEST.	0.75	0.75
-GULF CABLE	1.090	1.090	1.090	1.090	115000	5	INTERCOM/INV	0.13	0.12
-K.P.W. IND. CO.	0.206	---	---	---	---	---	IRBID ELECTRICITY	0.86	0.86
-CONT. MARINE	0.255	---	---	---	---	---	ISLAMIC INV. HOUSE	0.64	0.64
-K.S.H. REP. CO.	0.045	---	---	---	---	---	ITERMED/PETRI/CH	1.38	1.40
SERVICES SECTOR							J.TOUR-SP COMPLEX	0.79	0.79
-OVERLAND TRANS	0.082	---	---	---	---	---	JERUSALEM INS.	1.26	1.29
-K.N.C. CO.	0.190	---	---	---	---	---	JO TOBACCO/CIGARET	14.00	14.75
-KWT HOTELS CO.	0.170	---	---	---	---	---	JOR CERAMIC FACTOR	1.25	1.25
-P. WAREHOUSING	0.156	---	---	---	---	---	JOR EAGLE INS.	25.01	25.05
-COM. MKT. CHPX.	0.017	---	---	---	---	---	JOR ELECTRIC POWER	1.64	1.65
-MOBILE TELE.	0.335	0.335	0.340	0.335	390000	18	JOR FINANCE HOUSE	1.11	1.11
-KWT COMPUTER	0.178	---	---	---	---	---	JOR GLASS INDUSTRY	0.97	0.99
FOOD SECTOR							JOR HOTEL TOURISM	2.50	2.30
-LIVESTOCK T.T.	0.228	---	---	---	---	---	JOR INDUSTRY CHEM.	1.78	1.80
-UNIT FISHERIES	0.154	---	---	---	---	---	JOR INS AND FIN.	1.20	1.20
-UNIT POULTRY	0.216	---	---	---	---	---	JOR LEASING CORP.	0.57	0.56
-KWT FOODS	0.310	---	---	---	---	---	JOR LIM BRICK	0.20	0.20
-AGRI. FOOD PRD.	0.150	---	---	---	---	---	JOR MANAG/CONSULT	0.50	0.50
NON-KWT SECTOR							JOR NATIONAL BANK	2.60	2.62
-BNN. INTER. BK	0.069	---	---	---	---	---	JOR PAPER CARDBRSG	3.70	3.75
-BNN. EAST. BK	0.052	0.052	0.052	0.052	800000	7	JOR PHOSPHATE MINS	2.90	2.95
-UNIT. GULF BK	0.000	---	---	---	---	---	JOR PIPES MANUFACT	1.32	1.32
-COAST INVEST.	0.102	---	---	---	---	---	JOR PRESS/PUBLISW.	2.00	2.15
-A.G. INV. CORP	0.054	---	---	---	---	---	JOR PRINTING/PACK.	4.00	4.25
-FIRST. GULF BK	0.620	---	---	---	---	---	JOR ROCK WOOL IND.	0.79	0.82
-B.K.T.G.	0.076	---	---	---	---	---	JOR SECURIT CORP	0.71	0.72
KUWAIT STOCK EXCHANGE							JOR SELPHO CHEM.	2.72	2.71
COMPANIES LISTED ON THE PARALLEL MARKET							JOR WOOD INDUSTRY	1.21	1.25
-PEARL INV. CO.	0.098	---	---	---	---	---	JOR WORSTED MLL	4.60	4.60
-GULF INV. CO.	0.041	---	---	---	---	---	JOR. KUWAIT AGR	1.00	0.95
-GULF INTL INS	0.009	---	---	---	---	---	JOR. PETROLEUM REF	7.90	7.90
-ARAB INT CO.	0.055	---	---	---	---	---	JOR. FRENCH INS.	5.19	5.00
-SHARJAH INS	0.000	---	---	---	---	---	JOR. INV. FIN. CO.	2.15	2.25
-GULF UNION INS	0.070	---	---	---	---	---	JORDAN GULF REAL	0.56	0.55
INDUSTRIAL SECTOR							JORDAN DAIRY	1.04	1.04
-B-GULF MEDICAL	0.028	---	---	---	---	---	JORDAN GULF BANK	1.21	1.20
-C-R.K. WHITE-CHNT	0.025	---	---	---	---	---	JORDAN GULF INS.	0.94	0.95
-D-AJMAN CEMENT	0.007	---	---	---	---	---	JORDAN INSURANCE	13.85	13.90
-E-FUSATRAH CEMT	0.006	---	---	---	---	---	JORDAN ISLAMIC BANK	1.75	1.74
-F-SHARJAH CEMENT	0.010	---	---	---	---	---	JORDAN KUWAIT BHK	1.34	1.35
-G-GULF CEMENT	0.016	---	---	---	---	---	JORDAN TANNING	2.00	1.95
-H-GULF CEMENT	0.016	---	---	---	---	---	LIVESTOCK/POULTRY	0.68	0.70
-I-GULF CEMENT	0.016	---	---	---	---	---	HACH/EQU/RENT/MAIN	0.76	0.76
-J-GULF CEMENT	0.016	---	---	---	---	---	MAS INDUSTRIES	0.69	0.75



Jazz stars Herbie Hancock and Wayne Shorter: into Buddhism

Mixing jazz and Buddhism

By Steven Brill

TOKYO, (Reuters): Around midnight, American jazz stars Herbie Hancock, Wayne Shorter and Larry Coryell kneel before a makeshift altar in Hancock's hotel room and chant in a slow, steady monotone.

The Sanskrit chant 'Nam myoh renge kyo' (I believe in the wonderful law of the Lotus sutra) is an affirmation of devotion to the Lotus sutra, the ultimate truth of life for followers of Nichiren Shoshu Buddhism.

"Gongyo (chanting) in the morning when you first get up and again in the evening — it gets your life in tune for the day," said the 48-year-old Hancock, a keyboardist and composer.

These musicians say Nichiren Shoshu has given them the discipline and direction to make the most of their lives — both on and off the stage.

"I learned that music is not just chords or notes. Music uses chords and notes to tell some kind of story. That story has to do with life itself," Hancock said.

"The benefits to chanting come in many forms," said Shorter, a 55-year-old saxophonist.

"It tells you what you must do. It's your life telling you that. Sincerity is the source of this knowledge," he said.

Shorter, Hancock, Coryell and give other jazz disciples, including bassist Buster Williams and drummer Ronald Shannon Jackson, were recently in Japan, playing to packed halls during a two-week, eighty-city tour.

They are all members of Soka Gakkai (value-creating society), an organization of lay Buddhists founded in 1930, which has grown to become the biggest and most controversial of Japan's 'new' religions.

Soka Gakkai claims more than 10 million disciples in Japan — more than one in eight people — and 1.26 million overseas.

They follow the teachings of Nichiren, a 14th century monk who said the Buddha nature — a force that can transform an individual's bad karma, or destiny, to a good — is inherent in each human being.

Chanting can bring out an individual's Buddha nature and help bring peace and happiness to the world, they believe.

The religion has many caustic critics.

They charge Soka Gakkai uses coercive tactics to recruit and keep members.

Many non-believers also shudder at the Soka Gakkai ideal of merging politics and religion, a reminder of the establishment of Shinto as a state religion by militarists who ran Japan in the 1930s.

Story of an amazing family reunion

BRITISH actress Pauline Collins and her husband actor John Alderton, British theatre's Mr and Mrs Happy Family, broke their silence recently on the secret they have kept for the life of their marriage.

Before they met, while working as a repertory actress at the age of 23, Pauline had a brief affair with actor Tony Rohr.

The romance brought a baby daughter called Louise who was adopted six weeks after the birth in 1964.

Pauline went on with her career, met John Alderton and married him in 1970. Although she told her husband all about her first child, she never shared her secret with the three children they had together.

Thwarted

"But there was never a day," Pauline, 47, said "when I didn't think of my daughter."

She often told her husband of her longing to rediscover the child and get to know her. She even made efforts to trace Louise's adoptive parents and her new home but was thwarted by the law.

Parents of adopted children are not given information to enable them to find the babies they gave away. But the law does allow the children to trace their parents once they become adults — and this was Pauline's hope.

For years she prayed her daughter would one day inquire about her past, get the adoption papers released by the court and trace her natural mother.

She was sustained in this hope by husband John, also 47. He said yesterday: "I was always sure Pauline's child would come back one day. We were just waiting for the moment we could welcome her."

All those years Louise was growing up in a pleasant suburban house in Wimbledon, just a few miles across London from the Aldertons' home in Hampstead.

She was now Louise Baker and her childhood was comfortable and untroubled. She had an elder brother called Christopher, who worked as a solicitor, younger twin brothers called



John Alderton and Pauline Collins: there was never a day when I didn't think of my daughter.

Micbael and Richard and another sister.

Shortly before Louise's 21st birthday, tragedy struck the Baker family. It happened in July 1985 when Richard, a house captain at his private Roman Catholic school who was as good as his studies as he was at sport, gave an end-of-term party at the family home.

A gang of drunken skinheads gatercrashed the party and started a fight. Richard was

stabbed to death as he tried to remonstrate with them. His attacker Dean Harris was later sentenced to six years in jail for manslaughter.

Louise was deeply affected by the tragedy. And whether as a result of the blow to her family or not she told her adoptive mother she wanted to find her real mother.

With family support she set out to do so.

It is a course many adopted

Haley's new projects

INDIANAPOLIS, Indiana (AP): Pulitzer prize-winning author Alex Haley's latest project is a biography about Indianapolis philanthropist Madame C.J. Walker, the first black woman to earn \$1 million in her own right.

Haley, the author of *The Autobiography of Malcolm X* and the 1976 best seller *Roots*, said when he was considering the project he did not necessarily have a black figure in mind, but he did want to write about a woman.

Walker, the daughter of former slaves, propelled herself from washerwoman to businesswoman and activist. She built her fortune in the early 1900s, developing and selling cosmetics and hair care products.

"Given where she came from, it's extremely thrilling she did all she did," said Haley. "She's a fantastic story."

Haley said there has been talk of turning his unpublished book into a film. He was in Indianapolis for the opening of the renovated Madame C.J. Walker Theatre, next to the factory Walker opened in 1910.



Long-lost daughter Louise

children embark on, although few stick it out to the end.

Louise Baker did. And she discovered that her real mother was a famous actress whose face is known to most families in Britain through her starring roles in TV series like *Upstairs, Downstairs*, and *Yes, Honestly*.

Indeed, Louise must have watched her mother on screen many times herself with no idea of their relationship.

After her discovery, Louise thought things over for a few days then decided to write to Pauline.

Relaxed

The actress says the day the letter arrived was one of the greatest of her life.

A few days later mother and daughter met in a reunion which she says was wonderful, relaxed and natural.

Pauline had some fascinating news for her daughter.

Not only was she able to tell her the name of her father, she was able to introduce him as well since the couple had remained friends all those years.

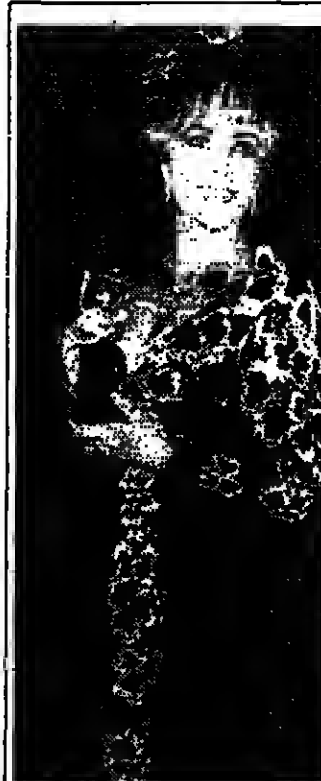
Tony Rohr, now happily married with three young daughters, was delighted to meet his child by Pauline.

He said: "I was staggered when I first met her. There was no doubt she was my daughter — I knew as soon as I saw her."

Louise's adoptive mother, Mrs Maria Baker, gave the meeting her full support.

"There has never been any sense of strain," she said.

"Now it's as if we are one family who've known each other all our lives."



1965: trim and happy



1988: overweight and moody

Liz in crisis again

By Tony Brenna

ELIZABETH TAYLOR, back in hospital for the third time in three months, was reported to be 35 pounds overweight, 'chain-smoking, hack on the booze and popping pills like candy'.

She is also said to have fought with her doctor about misuse of painkillers and her weight gain. "He has done all he could for Liz's back pain without surgery," says a friend. "She has had massages and therapy but still the condition persisted."

The painkiller problem has become chronic, claims an American magazine. "And Liz has lost the battle to control her reliance on prescription drugs and alcohol."

Empty

Fast approaching her 57th year and the harsh realization that life and love are passing her by, Miss Taylor, once the world's most beautiful actress, has been a virtual recluse in her Los Angeles home for weeks.

"I can't stand being alone, I feel so empty and unloved," she confessed to a friend just a few days before going back into

hospital. With her darker moods, the looks appear to have suffered — when she has been happy, it has likewise clearly shown.

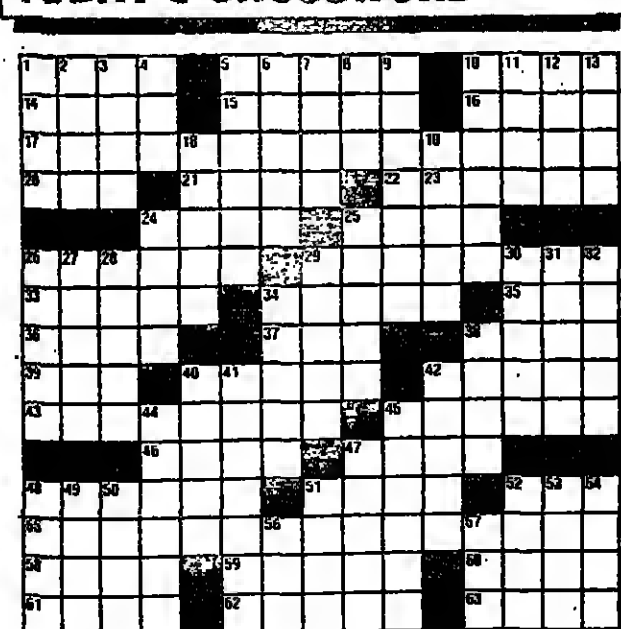
Now, in her private California hospital suite, said to be costing around £2,300 a day, she faces her latest health crisis. "She began drinking again," the magazine said. She started by having a glass of wine with her meals. Recently, she'd also have a few bottles of beer a day along with her wine and pills.

"On September 29, her excesses caught up with her, and she landed back in St John's facing the wrath of her outraged doctors."

According to nurses, her room is bare of flowers other than a small plant "sent by her secretary, with a get well card." With her doctors, she must decide whether she should undergo major surgery to correct a serious spinal condition.

A spokesman for Miss Taylor said yesterday that she would be undergoing a series of X-rays and other examinations. Mr Chem Sam also denied she had become reliant on prescription drugs and alcohol.

TODAY'S CROSSWORD



- ACROSS**
- 1 Walk the floor
 - 5 Biblical spy
 - 10 Nursery item
 - 14 Musical prince
 - 15 Lasso
 - 16 Wash
 - 17 Ophthalmologist's office?
 - 20 Pindar work
 - 21 Dill in the Bible
 - 22 Hardest to come by
 - 24 "The Art of Love" poet
 - 25 Former diva
 - 26 Luvvies
 - 28 Frankie of song
 - 29 Sorrowful troupe?
 - 33 OE 2, for one
 - 34 Before taxes
 - 35 Capek title
 - 36 Trademark
 - 37 Howard or Guidry
 - 38 Nobelist Wiesel
 - 39 Brown October quail of song
 - 40 Peri chaser
 - 42 Garbo
 - 43 Tough spinners?
 - 45 Did a Tuesday chore
 - 46 Point on the Isle of Man
 - 47 Ed or Leon
 - 48 Handsome youth
 - 51 Wine flask
 - 52 In top shape
 - 55 Dentists' offices?
 - 58 "The Four Seasons" star
 - 59 Picasso prop
 - 60 Killer whale
 - 61 Sandpipers
 - 62 Headwear fit for
- DOWN**
- 1 100 centavos
 - 2 In the center of
 - 3 Quiche
 - 4 Palindromic preposition
 - 5 "The Citadel" author
 - 6 Made known
 - 7 Endure
 - 8 Ike's command
 - 9 Taproom spats?
 - 10 Man of God
 - 11 Funny Martha
 - 12 American composer
 - 13 Charles
 - 14 Broadway
 - 15 Back
 - 16 Brings home the bacon
 - 17 Margarine
 - 18 Pat or Richard
 - 19 Meccans' deity
 - 20 Member of the string section
 - 21 Incense
 - 22 Fumbles on the diamond
 - 23 "Stormy Weather" composer
 - 24 Grofe's "Grand Canyon"
 - 25 Tire feature
 - 26 Feel one's way
 - 27 Cupid
 - 28 Record player needles
 - 29 See 62 Across
 - 30 Welcome
 - 31 Popular TV series
 - 32 Red antelope
 - 33 American job
 - 34 In the distance
 - 35 Carpet feature
 - 36 Word with shoppe
 - 37 Greek peak
 - 38 Links cry
 - 39 Andean
 - 40 Despot
 - 41 Adjective for Paris
 - 42 Charged particle

ANSWER TO PREVIOUS PUZZLE:

TAPAS ANIMA GET
AMAD MORAL WIRE
TITI BLACKMARTIA
ARTESIAN AISLES
YULE FILES
LESSONS DISABLE
ACH ETHELS IRON
DOER BEVE LOUD
ELLA REASON WIE
SELTZER TRAINED
ALLEGES LIMB
ALBITE ACOLLEGE
JACKANAPES OTIOE
AIOE TRINE STER
RTE SANTA TYRO

GOREN BRIDGE

BY CHARLES GOREN AND OMAR SHARIF
IN DIRE EMERGENCIES, PUNTI

North-South vulnerable. South deals.

NORTH
♠ 5 6 2
♥ J 8
♦ A K 4 2
♣ K 9 6 3

WEST
♠ Q 10 5 4
♥ K 7 4 2
♦ Q 9
♣ 10 8 5

EAST
♠ 9 7
♥ 10 9 5 3
♦ 8 7 6 3
♣ A Q J

SOUTH
♠ A K J 3
♥ A Q 6
♦ J 10 5
♣ 7 4 2

The bidding:
South West North East
1 NT Pass 3 NT Pass
Pass Pass

Opening lead: Four of ♠

Had this hand been played in a pairs event, declarer would probably have made his contract — defenders are afraid to give away a possible overtrick lest it earn them a bottom. At rubber bridge, an extra 50 or 100 points is a small price to pay for an even-money chance to defeat a game contract.

Since North-South were using 15-17 point no trump opening bids, South's hand just qualified for that action. North's raise to game was automatic.

West's choice of a spade lead, one we would have made ourselves, was unfortunate in that it gave declarer a trick he could not make on his own — as it happens, a heart lead would not have cost; declarer can make two tricks, and only two, in that suit by force. The jack of diamonds was covered by the queen and taken by the table's king, and declarer set about building a club trick by leading low from dummy.

In with the jack of clubs, East reverted to a spade, won by declarer's king. A club to the king lost to the ace, and East shifted to a high heart. Declarer played low, West took his king and forced out the ace of spades. East discarded his queen of clubs!

It was a 50 percent chance that West held the ten of that suit, but it was a sure bet that he could not have any other entry-card in his hand. Declarer now was a dead duck. He could garner no more than two additional tricks if he went after the diamonds. And if he tried to set up the fulfilling trick in clubs, West would win and cash his fourth spade for a one-trick set.

Declarer could have thwarted East's spectacular unblock by ducking the second club as well. But that takes nothing away from East's brilliant play.



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THE WIZARD OF ID

By Brant Parker and Johnny Hart



B.C.

By Johnny Hart



YOUR STARS

- Aries (March 20 - April 18)**
You must beware of making things more complicated for yourself. You will have to be somewhat more careful about your health. You should try to exercise a little more self-control. Be cautious.
- Taurus (April 19 - May 19)**
You will be able to get a move on. You should not spend too much time deliberating but nor should you be rash. Do not pay too much attention to your intuitions. Be tactful.
- Gemini (May 20 - June 20)**
You will be able to make good progress. Venus' better influence will help you to deal with the situation. A good opportunity will not be recognized until too late but there will be another one. Be less solemn.
- Cancer (June 21 - July 21)**
The Moon's better influence will make you better able to assess the situation. You will tend to be rather tired so take it easy for the day. Try to keep things as simple as possible. Be sensible.
- Leo (July 22 - Aug 21)**
Venus' better influence will help you to do the right thing at the right time. You will be able to clear up a doubt. Take things more as they come. Be generous.
- Virgo (Aug 22 - Sept 21)**
The influences are mixed so you should take no chances. You will be more persuasive but avoid going too far. Make sure you do not eat more than you know you should. Be helpful.
- Libra (Sept 22 - Oct 22)**
Venus' influence will help you to deal with a personal matter satisfactorily. You will be able to make good progress with a project important to you. An outstanding problem should not be ignored. Be energetic.
- Scorpio (Oct 23 - Nov 21)**
Do not allow yourself to be too greatly influenced by what is fashionable. Mars' influence makes it advisable for you to be cautious. You should not make a promise you will find it hard to keep. Be more trusting.
- Sagittarius (Nov 22 - Dec 21)**
The influences are mixed so you should take no chances. You will be more persuasive but avoid going too far. Make sure you do not eat more than you know you should. Be helpful.
- Capricorn (Dec 22 - Jan 19)**
You will be able to resume relations with an old friend with whom you have lost touch. You should avoid making a lot of fuss about little or nothing. Try to use a little more restraint. Be reasonable.
- Aquarius (Jan 20 - Feb 18)**
Jupiter's better influence will help you to avoid falling into a trap. You will be able to make better progress with a personal project. Listen more closely to what others are saying. Be amenable.
- Pisces (Feb 19 - March 19)**
You will be able to do something very much to your liking. Make sure however you do not do anything that might antagonize your partner. Be cordial. Do not expect more than you are prepared to give in return. Be less extravagant.

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KUWAIT City, Sharq, behind the fire station. Accommodation for Indian bachelors. Tele. Mr. John, 2419327, after 6 pm. (AT2-44592-3)

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NUGRA, Khalid Street. One independent room furnished with water and electricity and tele. facilities for 1 or two bachelors. Rent KD80. Tele. Mr. Oberoi, 4740801, off. 2644645, res. (AT6-44546-3)

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OMARIYA, Area 1, 1st Street. House No. 9, behind the Zoo. Outside building, (mulhaq) new, with 2 spacious rooms, kitchen and bathroom. Rent KD130. Contact Mr. Attar personally. (AT2-44595-3)

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FINAL sale. Oakwood childbed with mattress, padding, bed-sheets KD42, Westinghouse washing, dryer machine, fully automatic, new KD185, medicine chest 21x12 inches, KD3.5, baby lamp KD8. Tele. 3712747. (AT1-44587-3)

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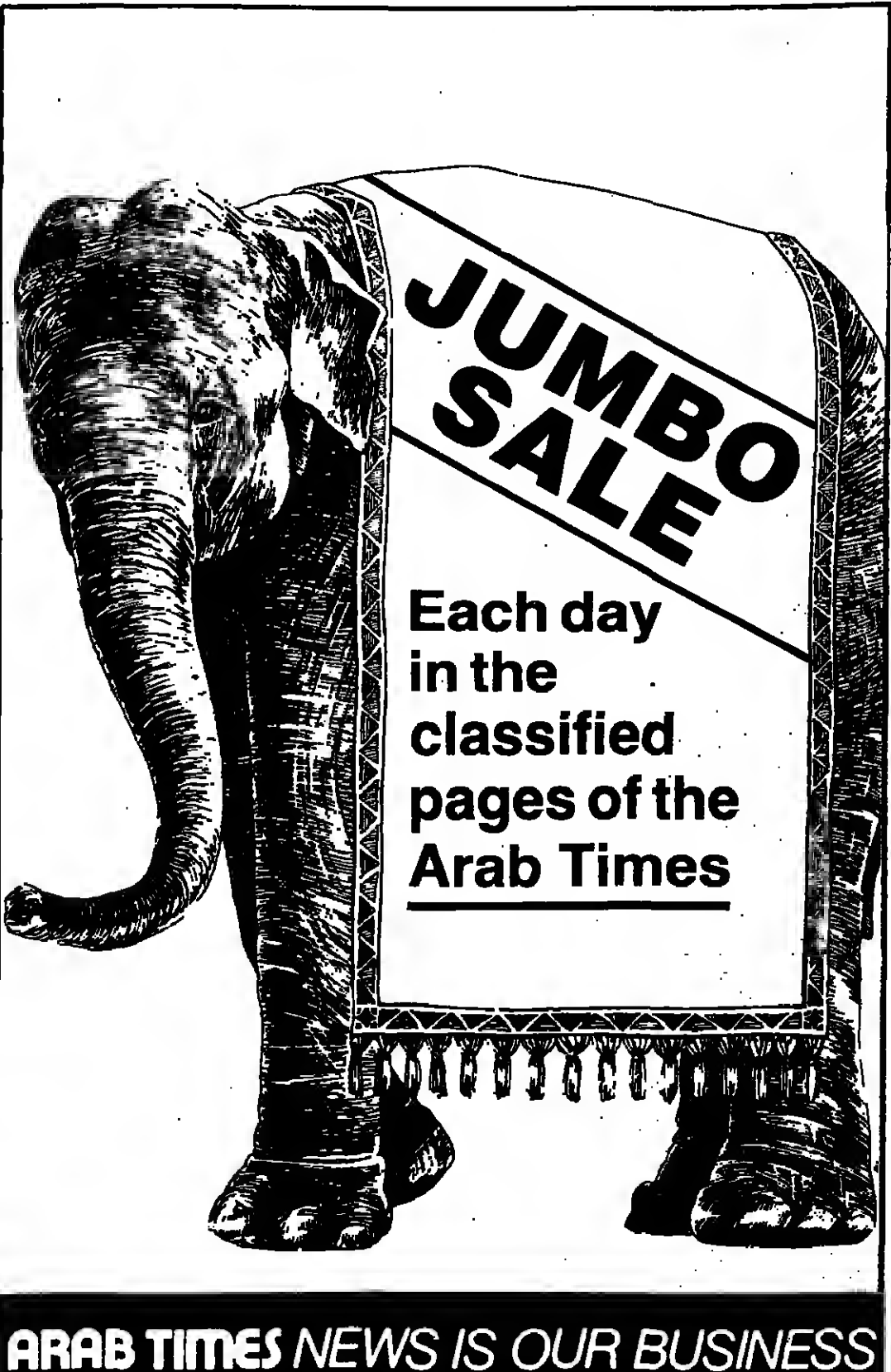
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Martin upsets Norman

TORONTO, Oct. 29, (Reuter): The quarterfinal round of the \$30,000 Canadian Open squash championships produced one minor upset yesterday as fourth seed Ross Norman of New Zealand fell to fifth-seeded Australian Rodney Martin.

Norman, a former world champion, was visibly upset by his quick exit as Martin, who has now won his last four meetings, easily reached the semifinals 15-12 15-15 15-12.

Other top three seeds all advanced without the loss of a game in yesterday's quarterfinal action.

Martin was to face second seed Jahangir Khan of Pakistan today. Jahangir, ranked second in the world, is playing with renewed confidence and strength as he strives to regain his top ranking.

The second seed crushed seventh seed Ross Thorne of Australia 15-6 15-4 15-10 in just 30 minutes — the shortest match of the tournament.

Succumbed
Top seed Jahangir Khan of Pakistan breezed through his first game with the loss of just five points to sixth-seeded compatriot Umar Hayat Khan. The sixth seed put up more of a fight in the next two games, but succumbed to the superior talent of the world number one 15-14 15-10.

Jahangir will next face third-seeded Australian Chris Dittmar, a 15-15 15-17 15-11 winner over 15th seed Del Harris of Britain.

Dittmar, who lost five-set matches to Jahangir in Singapore, Hong Kong and New Zealand in recent weeks, believes he will turn the tide this evening.

"In Asia the courts were much hotter and this one's much slower and more suited to my attacking game," Dittmar said.

Dittmar said he planned to play to four corners and only go for winners when he's sure he can make them.

Haugen stops Jacobsen to retain title

BRONDBY, Denmark, Oct. 29, (UPI): Reigning IBE world lightweight champion Greg Haugen of the United States retained his title last night when he stopped Danish challenger Gert Bo Jacobsen in the 10th round at Brøndby, outside Copenhagen.

The American floored the Dane with a strong left hook but Jacobsen got up after the count reached eight, but his corner stopped the fight by throwing in the towel.

Although former European champion Jacobsen made it close during the first six rounds, his punches did not seem to effect Haugen.

Dethroning
With the Dane tiring in the later rounds, Haugen tattooed his head and body with flurries of heavy punches, putting a gash over the same fighter's eye.

Haugen, 27, first won the International Boxing Federation's lightweight title in December 1986, dethroning Jimmy Paul.

He lost to Vinny Pazienza in 1987 on points but won it back again in a spectacular bout later that year.

Coe wins race against clock's chimes

CAMBRIDGE, England, Oct. 29, (Reuter): Double Olympic champion Sebastian Coe imitated a legendary feat today when he beat a Cambridge University clock's chimes in a race round a cobblestoned courtyard.

In a reconstruction of a famous scene from the Oscar-winning film 'Chariots of Fire,' Coe, speed fellow-Briton Steve Cram, around Trinity College's great court as the clock struck noon.

But the cheers of the 1,500 spectators in the courtyard drowned the final chimes and there was confusion as to whether former 1,500 metres world champion Cram had also beaten the clock.

Previously

Coe completed the 367-metre, three-cornered course in 45.52 seconds.

The only man to have beaten the clock previously was Lord Bughley, the 1928 Olympic 400 metres hurdles champion, who set a time of 46 seconds when he was a student at the university in 1927.

The British-made film 'Chariots of Fire,' showed the 1924 Olympic 100 metres champion Harold Abrahams achieving the feat. But in real life Abrahams never attempted the great court run.

Today's televised event was organised to raise money for a London children's hospital.

PAKISTAN TAKE BANGLADESH TO TASK

Sri Lanka surprise India for Asia Cup final



Ranatunga: hit 99 off 32 balls

DHAKA, Bangladesh, Oct. 29, (AP): Defending champion Sri Lanka beat India by 17 runs in the Asia Cup cricket match today and sailed to the finals of the four-nation tournament.

Set to score 272 for a victory, the Indians were all out for 254 in 44 overs.

Today's victory was Sri Lanka's second consecutive triumph in the current tournament. The Sri Lankans defeated Pakistan by five wickets in Dhaka on Thursday. By virtue of their two victories, the Sri Lankans have now entered the finals. India and Pakistan will vie for other berth. Pakistan beat Bangladesh by 173 runs in today's other match, which was played in Chittagong.

Determined
Put into bat by Indian skipper Dilip Vengsarkar, the Sri Lankans made a determined start and scored 37 runs in the first 10 overs. The highlight of the Sri Lankan innings was a third wicket partnership of 126 between Arinda de Silva and Anula Samarasekera. The two batsmen tore the Indian attack apart and scored almost at will. Samarasekera's 66 came off 69 balls, and De Silva faced 63 deliveries for his 69.

Arjuna Ranatunga was the other batsman who hit a superb 49 off 32 deliveries and remained not out.

Set to score at an over rate of 6.04 runs for victory, Indian openers Krishnamachari Srikanth and Navjit Sidhu gave a good start by scoring 89 runs. After their exit, Dilip Vengsarkar and Mohinder Amarnath kept up the Indian hope.

India lost the crucial wicket of Amarnath when the batsman slipped and fell and was run out. He scored 31 runs off 34 deliveries. India lost Vengsarkar's wicket with the score of 166 and with Kapil Dev out it appeared to be the end of the road for India. And it was.

In Chittagong, Pakistan won the toss and elected to bat against a mediocre Bangladeshi attack. The first to go was Rameez Raja who scored only 10 runs. He was followed by Salim Malik who added 15 runs. Pakistan were then two for 72. But Moinul Atiq and Ejaz Ahmed did not look back and took the score to 278 when Atiq was trapped leg before by Atahar. Atiq scored a brilliant 105 off 117 balls.

Ejaz, who was joined by Manzoor Elahi, hit four towering sixes and nine boundaries for his 124 which came off only 87 deliveries. Elahi remained not out with seven runs.

Bangladesh was never able to chase the Pakistani score. The hosts scored 112 for six wickets in the allotted 45 overs.

Scoreboard

DHAKA MATCH:

SRI LANKA

Roshan Mahanama b Vengsarkar 21

Brendon Kuruppu b Srikanth 16

Arvind de Silva b Ayub 66

Arjuna Ranatunga not out 49

Daleep Mendis b Amarnath 16

Ravi Ratnayake b Kapil 19

Tilakaratne not out 2

Extras (lb-9, w-1, nb-3) 13

Total (for six wickets, 45 overs) 271

Did not bat: Chamapak Ramanayake, Ranjit Sanhe, Kapila Wijesinghe.

Fall of wickets: 1-35, 2-52, 3-178, 4-184, 5-216, 2-169.

Bowling: Kapil Dev 9-0-78-2, Sanjeeb Sarma 8-1-44-1, Amarnath 4-0-27-1, Maninder Singh 5-0-26-0, Hirwani 4-0-38-0, Arshad 3-0-28-1, Srikanth 6-0-30-1.

INDIA

Srikanth b Mahanama 21

Ranatunga 49

N. Sidhu b Kuruppu b Rameez Raja 16

M. Amarnath run out 31

Vengsarkar b Guruswami 34

De Silva 66

Kapil Dev b Guruswami 19

Azharuddin b Ranjit b Ratnayake 34

More b Ratnayake b Guruswami 6

A. Ayub run out 2

S. Sarma b Ranjit b Guruswami 28

Maninder b De Silva b Guruswami 7

Hirwani not out 1

Extras (lb-1, w-3, nb-1) 5

Total (43.5 overs) 254

Fall of wickets: 1-89, 2-96, 3-146, 4-166, 5-167, 6-182, 7-198, 8-249, 9-252, 10-254.

Bowling: Chamapak Ramanayake 8-0-47-1, Kapila Guruswami 9-0-

49-4, Samarasekera 2-0-17-0, Ranatunga 5-0-27-2, De Silva 6-0-36-1, Ranjit Sanhe 6-0-41-0.

CHITTAGONG MATCH:

PAKISTAN

Rameez Raja b Nasir b Nausar 110

M. Atiq b Atahar 105

Salim Malik b S. Shams 16

Ejaz Ahmed not out 124

Shoaib Mohammed not out 73

Extras (lb-3 lb-6 w-14) 23

Total (for three wickets, 45 overs) 284

Did not bat: Iqbal Qasim, Manzoor Elahi, Wasim Akram, Abdul Qadir, Salim Yousuf, Tanzeef Ahmed.

Fall of wickets: 1-43, 2-72, 3-277

Bowling: Nausar 6-0-55-1, Badshah 9-1-53-0, Atahar 9-0-54-1, Shams 6-0-24-1, Wasim 6-0-32-0, Akram Khan 5-0-29-0, Nausar 2-0-17-0, Aminul Bulbul 2-0-12-0.

BANGLADESH

Ashraf Shaukat b Yousuf b Qasim 10

Colman Saru b W. Qasim 14

Gazi Ligo b Qasim 10

Atahar Ali b Rameez b Qadir 22

Minkaz Nausar b W. Shoaib 11

Aminul Bulbul b Qadir 8

Jahangir Badshah not out 6

Akram Khan not out 21

Extras (lb-4 lb-6 w-4 nb-1) 15

Total (for six wickets, 45 overs) 111

Did not bat: Nasir Nasa, Nausar Prince, Wahidul Ghaani.

Fall of wickets: 1-30, 2-39, 3-54, 4-82, 5-82.

Bowling: Wasim Akram 6-2-11-0, Manzoor Elahi 4-1-7-0, Tanzeef Ahmed 8-2-12-0, Iqbal Qasim 9-3-13-3, Shoaib Mohammed 8-0-21-1, Abdul Qadir 9-0-27-2, Rameez Raja 1-0-10-0.

Result: Pakistan won by 173 runs.

Bishop puts W. Indies back in the game

PERTH, Australia, Oct. 29, (Reuter): Ian Bishop, the least experienced of the six pace bowlers in the West Indies' touring party, stole the limelight by taking four wickets at a cost of only nine runs from 46 deliveries on the second day of the four-day match against Western Australia.

Bishop, 21, finished with five for 27 from 16 overs as the state side slumped from 151 for three to 247 all out — a first innings lead of 34.

But Western Australia had the final word today when left-arm fast-medium bowler Chris Matthews, who took five wickets in the first innings, trapped opener Desmond Haynes leg before with the first ball when they batted a second time. West Indies were nought for one at the close.

Bishop, who has yet to play in a Test match, and Curtly Ambrose, who took two wickets in both the morning and evening sessions to finish with six four 64, troubled all of the batsmen with their pace and ability to get the ball to lift sharply.

Phil Supreme put on an excellent team performance to subdue Al Qabandi 943-891 in the men's section of the tournament. The women's finals will be held on Friday, Nov. 4.

Strong
The top marksmen for Phil Supreme were Jesus Ventus with 211, Arthur Reyes 205, Ryan Abdon 192, Ness Sogale 173 and Rico Pino 162. Reyes is a strong contender for the Most Valuable Bowler award for his consistent performance throughout the tournament.

Al Qabandi, who put on a brilliant show throughout this event, were helped by some good performances by Nafez Al Aqas 216, Mansour Al Shatti 173, Kamal Atta 177, Nishat Mohammed 168 and Fahad Al Ajmi 157.

The trophy for the winners was donated by the Philippine Ambassador to Kuwait Alunan C. Glang while the runners-up prize came from Ramzi Jabseh, manager of Magnolia Ice Cream.

Hatid Ligaya had to settle for the second runners-up slot with a 885-98 win over Al Naqeeh and Khattar Co. Top scorers for Hatid Ligaya were Bob Peek 214, Manny Inserto 183, Willy Sabay 176, Bennie Mitchell 168 and Carl Baginda 144.

Al Naqeeh & Khattar, who finished third runners-up, got good performances from Mumb

Bishop, who dismissed Mike Veletta late yesterday, injured a finger when fielding early in the morning and did not bowl before lunch.

But then he struck with devastating effect in the afternoon session and again after tea to dash the state side's hopes of a big first innings lead.

Ambrose gave the touring team a shot in the arm at the start of the second day by dismissing Tom Hogan for nought and Geoff Marsh for 27 at a cost of four runs in the space of 19 fiery deliveries.

That left Western Australia reeling at 44 for three and they would have been in even deeper trouble had Tom Moody and Graeme Wood not been dropped early in their innings.

Moody was three when Keith Arthurton failed to hold a difficult catch at short leg off the bowling of Patrick Patterson and Wood was seven when Roger Harper spilled an easy chance at third slip off the bowling of Ambrose.

The pair made the most of

their 'lives' to put on 87 for the fourth wicket before Moody, clearly troubled by a pinched nerve in his back, was forced to retire hurt.

Wood's dismissal for 39 at 151, hooking Bishop to Ambrose at fine leg, began a middle order collapse which saw Western Australia lose five wickets for 21 runs.

Caught
James Bryshaw slashed wildly at Bishop and was caught by a leaping Harper at third slip, left-hander Wayne Andrews played a cramped out shot at Patterson and was caught behind, Ken MacLeay was snapped up close in on the legside off Bishop and Matthews lobbed a simple catch to Richardson at fourth slip to give Bishop his fifth wicket.

Scoreboard

WEST INDIES first innings: 213 (C. Hooper 83, C. Matthews 56, 89)

WESTERN AUSTRALIA first

innings (overnight 30 for one)

G. Marsh c Richardson b Ambrose 27

M. Veletta c Patterson b Bishop 11

T. Hogan c Harper b Ambrose 30

Extras 1-1-0-0.

Almerman 1-1-0-0.

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SPORTS

SPORTS BRIEFS

Britain win

LEEDS, England, Oct. 29. (Reuters): Britain hung on for a 30-28 victory over a Rest of the World team in a special Rugby League challenge match at Headingley today.

The game, which marked the opening of this week of the sport's first Hall of Fame, produced 10 tries and some entertaining rugby highlighted by a two-try burst midway through the second half when Britain's captain Ellery Hanley and centre Garry Schofield touched down.

Soviets win

HONG KONG, Oct. 29. (AP): The Soviet Union beat Cuba 15-1, 15-9, 15-10, and China outlasted Peru 11-15, 17-15, 15-10, 11-15, 16-14 on the opening day yesterday of the Super Challenge Cup women's volleyball tournament.

Himalayan rally

NEW DELHI, India, Oct. 29. (AP): Defending champion Kenji Shinozuka of Japan headed for his second title in the 2,294 kilometres (1,426 miles) Himalayan car rally yesterday leading 51 cars at the end of the fifth and penultimate leg.

Cup tie

BELGRADE, Oct. 29. (Reuters): A Belgrade partisan official on Saturday accused Italian soccer club Roma of exaggerating reports of trouble at last week's UEFA Cup tie between the two sides. "They simply did not expect to lose the match so soundly and are now trying to win it off the field," the Yugoslav club's secretary Zarko Zecevic said.

Lohr leads

LAKE BUENA VISTA, Fla., Oct. 29. (Reuters): A relaxed and confident Bob Lohr fired a six-under-par 66 yesterday to retain the lead of the \$700,000 Walt Disney World Classic golf tournament after three rounds.

Olympic champion

NEW YORK, Oct. 29. (UPI): Olympic hurdling champion Andre Phillips says the steroid scandal hurts track and field because it tends to place any successful athlete under suspicion.

Singapore Open

SINGAPORE, Oct. 29. (AP): Top-seeded Steve Guy of New Zealand won the Singapore Open singles tennis championship here today by defeating fifth-seeded American Paul Chamberlin 4-6, 7-6, 7-5, 7-6, 7-3.

Lark Cup

TOJOCHO, Japan, Oct. 29. (AP): While Katsunari Takahashi, who has led all the way, had an even-par third round, Masashi "Junbo" Ozaki fired a 68 today to advance to within two strokes of the leader in the 150 million-yen (\$12 million) Lark Cup golf tournament.

W. German soccer

BONN, Oct. 29. (Reuters): West German First Division soccer results today.

Hamburg	1	Karlsruhe	0
Bayer M	3	Stuttgart K	2
Hanover	2	St. Pauli	2
Borussia D	0	Cologne	2
Werder Bremen	3	Bayer U	1
Stuttgart	2	Waldhof	1
Borussia M	1	Nurnberg	1
Kaiserslautern	3	Eintracht F	0
Bayer L	1	Bochum	1

Volvo Masters

SOTOGRADE, Spain, Oct. 29. (UPI): Spain's Seve Ballesteros shot a two-over par third round 74 to share the lead with Britain's Sandy Lyle (75) in the \$600,000 Volvo Masters on the Valderrama course today.

MILLWALL SUFFER FIRST DEFEAT

Rush ends Liverpool's lean spell

LONDON, Oct. 29. (Reuters): Ian Rush scored his second goal in successive matches as English champions Liverpool ended a depressing run of four League matches without a win by beating West Ham 2-0 away today.

The victory narrowed the gap between themselves and surprise runaway First Division leaders Norwich — held 1-1 by Southampton — to eight points.

Millwall, another of the unexpected pacemakers, lost for the first time in their debut season in the First Division when they crashed 4-2 at Middlesbrough. They surrendered second spot in the table to Arsenal, comfortable 2-0 winners over Coventry.

Broke

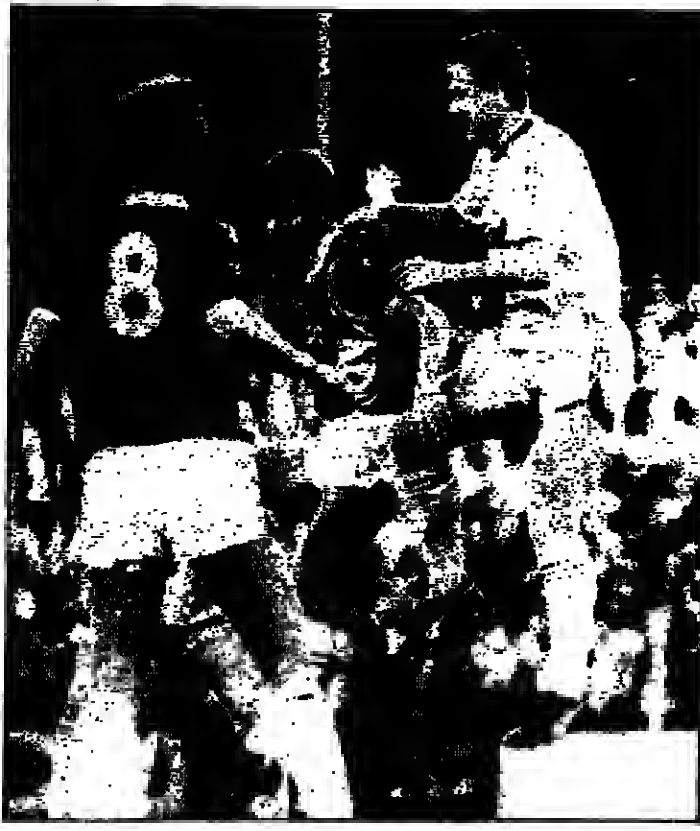
Welsh international Rush, who has struggled to find his predatory touch near goal since rejoining Liverpool from Italy's Juventus at the start of the season, broke the deadlock at Upton Park with a goal midway through the second half.

Peter Beardsley wrapped up Liverpool's win — only their fourth in 10 games — with a second goal in the 78th minute. The goal which put Liverpool's season back on the rails was a gem. Rush ran on to the ball just outside the West Ham penalty area and beat goalkeeper Allen McNight with a fierce left foot shot.

Results

English Division One

Arsenal	2	Coventry	0
Aston Villa	2	Tottenham	1



Liverpool's Steve Nicol (right) beats West Ham's Stuart Slater (centre) to the ball. (Reuters wirephoto)

English Division Two

Charlton	2	Sheffield	1
Derby	1	Wimbledon	0
Luton	0	Q.P.R.	0
Middlesbrough	4	Millwall	2
Newcastle	0	Notts Forest	1
Norwich	1	Southampton	1
West Ham	0	Liverpool	2

Playing Sunday: Everton v Manchester United.

English Division One

Crystal Palace	1	Norwich	10	2	1	18	11	23
Birmingham	1	Arsenal	9	5	2	22	13	17
Watford	1	Millwall	9	4	1	17	13	16
Sheff Wed	1	Liverpool	10	4	3	12	8	15
Cardiff	0	Notts Forest	10	4	3	12	10	15
Sheff Utd	0	Southampton	10	4	3	12	14	15
Port Vale	1	Middlesbrough	10	5	0	16	17	15
Huddersfield	1	Coventry	9	4	2	12	8	14
Wolves	1	Aston Villa	10	5	2	13	13	14
Bristol City	2	Sheff Wed	9	4	1	9	9	13
Reading	2	Carlton	10	3	4	14	18	13
Fulham	1	Manchester U	8	3	3	2	9	6
Bury	1	Derby	9	3	3	8	5	12
Preston	1	QPR	10	3	2	5	10	11
Wigan	1	Everton	8	3	1	12	10	11
Cambridge U	0	Luton	10	2	4	8	10	10
Leyton Orient	0	Wimbledon	9	2	5	16	8	8
Crewe	2	Newcastle	10	2	2	6	9	19
Halifax	2	West Ham	10	2	1	7	8	20
Hastings	2	Tottenham	9	1	4	15	19	5
Carlisle	1							

English Division Two

Burnley	2	Sheff Wed	1
Doncaster	1	Sheff Utd	1
Exeter	1	Sheff Utd	1
Grimby	3	Sheff Utd	1
Hartlepool	1	Sheff Utd	1
Lincoln	0	Sheff Utd	1
Peterborough	1	Sheff Utd	1
Rochdale	2	Sheff Utd	1
Scarborough	1	Sheff Utd	1
Torquay	2	Sheff Utd	1
Wrexham	2	Sheff Utd	1
Colchester	1	Sheff Utd	1

Scottish Premier

Celtic	3	Dundee	3
Dundee United	1	Motherwell	1
Hamilton	0	Hibernian	3
Hearts	1	Aberdeen	1
St Mirren	1	Rangers	1

Scottish Division One

Ayr	1	Clyde	1
Falkirk	3	Raith	1
Forfar	1	Airdrieonians	1
Morton	1	Dunfermline	0
Partick	1	Meadowbank	0
Queen of S.	0	Cydebank	0
St. Johnstone	0	Kilmarnock	0

Scottish Division Two

Albion	2	Montrose	1
Brechin	2	Serwick	1
Dundee	1	Arbroath	1
Dumfries	1	Stirling	0
Queen's Park	0	Alloa	2
Stirling	3	East Fife	1
Stranraer	2	Stenhousemuir	1

Standings

English and Scottish League soccer tables after matches played today (tabulate — played, won, drawn, lost, goals for, against, points):

English Division One

Crystal Palace	1	Norwich	10	2	1	18	11	23
Birmingham	1	Arsenal	9	5	2	22	13	17
Watford	1	Millwall	9	4	1	17	13	16
Sheff Wed	1	Liverpool	10	4	3	12	8	15
Cardiff	0	Notts Forest	10	4	3	12	10	15
Sheff Utd	0	Southampton	10	4	3	12	14	15
Port Vale	1	Middlesbrough	10	5	0	16	17	15
Huddersfield	1	Coventry	9	4	2	12	8	14
Wolves	1	Aston Villa	10	5	2	13	13	14
Bristol City	2	Sheff Wed	9	4	1	9	9	13
Reading	2	Carlton	10	3	4	14	18	13
Fulham	1	Manchester U	8	3	3	2	9	6
Bury	1	Derby	9	3	3	8	5	12
Preston	1	QPR	10	3	2	5	10	11
Wigan	1	Everton	8	3	1	12	10	11
Cambridge U	0	Luton	10	2	4	8	10	10
Leyton Orient	0	Wimbledon	9	2	5	16	8	8
Crewe	2	Newcastle	10	2	2	6	9	19
Halifax	2	West Ham	10	2	1	7	8	20
Hastings	2	Tottenham	9	1	4	15	19	5
Carlisle	1							

English Division Two

Burnley	2	Sheff Wed	1
Doncaster	1	Sheff Utd	1
Exeter	1	Sheff Utd	1
Grimby	3	Sheff Utd	1
Hartlepool	1	Sheff Utd	1
Lincoln	0	Sheff Utd	1
Peterborough	1	Sheff Utd	1
Rochdale	2	Sheff Utd	1
Scarborough	1	Sheff Utd	1
Torquay	2	Sheff Utd	1
Wrexham	2	Sheff Utd	1
Colchester	1	Sheff Utd	1

Scottish Premier

Celtic	3	Dundee	3
Dundee United	1	Motherwell	1
Hamilton	0	Hibernian	3
Hearts	1	Aberdeen	1
St Mirren	1	Rangers	1

Scottish Division One

Ayr	1	Clyde	1
Falkirk	3	Raith	1
Forfar	1	Airdrieonians	1
Morton	1	Dunfermline	0
Partick	1	Meadowbank	0
Queen of S.	0	Cydebank	0
St. Johnstone	0	Kilmarnock	0

Scottish Division Two

Albion	2	Montrose	1
Brechin	2	Serwick	1
Dundee	1	Arbroath	1
Dumfries	1	Stirling	0
Queen's Park	0	Alloa	2
Stirling	3	East Fife	1
Stranraer	2	Stenhousemuir	1

Standings

English and Scottish League soccer tables after matches played today (tabulate — played, won, drawn, lost, goals for, against, points):

Shriver keen to face Graf in Brighton final

BRIGHTON, England, Oct. 29. (Reuters): American Pam Shriver secured her place in the semifinals of the Brighton women's indoor tennis championships yesterday — and then explained why she is keen to play Steffi Graf in the final.

Second seed Shriver beat West German Sylvia Hanika 7-5 6-2 in her quarterfinal and now faces Bulgarian third seed Manuela Maleeva, who reached the last four by beating Sandra Cecchini of Italy 6-3 6-2.

Shriver, a great admirer of Graf's ability, said: "If ever there has been a dream year for a player, then Steffi has had it this year. To win the Grand Slam and the Olympic title, and to win every important match she has had to face this year is an achievement that may never be equalled."

Face

"But that is why I want to meet her again. If any top player is going to close the gap, you have to face up to the prospect of meeting her — and not just at the semifinals of Wimbledon."

"You must play her four or five times a year. And you have to think that she is not going to be so inspired every time she walks out on court."

Shriver, suffering from glandular fever, lost 6-1 6-2 to Graf in the Wimbledon semifinals, but in her other meeting with the West German this year she extended her to three sets at the Boca Raton tournament in Florida before losing 6-4 4-6 7-6.

"I guess that match showed me Steffi was beatable," said the American. "and I think the reason she lost in the final to Gabriela Sabatini the next day was because I had pushed her so hard."

Shriver has lost only 11 games in six sets to reach the last four at Brighton but Maleeva has been almost as impressive, losing 14 games in the six sets she has played.

Top seed Graf overcame a



Shriver

spirited early challenge from Nathalie Tauziat of France to reach the semifinals with a 6-3 6-2 victory.

Tauziat broke service to lead 2-1 in the opening set and extended her advantage to 3-1, which prompted the West German to change her racket.

There was no immediate improvement in her fortunes as Tauziat went to 40-15 in the next service game, but then Graf opened her shoulders, pounded down her lethal forehand and soon had the match under control.

Graf said afterwards: "She was playing well and I was rushing too much early in the match. My service was terrible — it was all over the place."

Hlasek stuns McEnroe in thriller



Jakob Hlasek

PARIS, Oct. 29. (Reuters): Jakob Hlasek of Switzerland beat former world number one John McEnroe after a three-hour thriller at the \$1.1 million Paris Open men's tennis grand prix on Friday.

Czechoslovak-born Hlasek won 7-6 2-6 7-6 in the best match of the tournament so far, marred only by a major controversy sparked off by McEnroe in the final set.

With the score balanced at one set all and 2-2 in the decider, McEnroe screamed for a let when Hlasek served an apparent winner at break point.

The netcord judge raised his hand to indicate a let after McEnroe shouted, but the umpire refused to change his decision to give Hlasek the point.

The match was then held up for 10 minutes while McEnroe argued with the umpire and had the tournament supervisor called on to court.

The officials finally decided to play a let but announced nothing to the crowd, who were booing

and whistling.

"Tell the people what's happening," McEnroe shouted. "They think I'm cheating. They don't know anything — they're stupid."

Hlasek, who sat dejectedly at the back of the court throughout the commotion, was clearly disturbed by the interruption.

He lost five of the next six points to trail 4-2 and the match seemed over.

But McEnroe surprisingly dropped his serve when close to victory at 5-4 and then found himself with three match points against him on his next serve at 5-6 and 0-40.

He served them with a backhand crosscourt volley, a forehand pass and an ace before serving out the game.

But he looked strangely listless in the tiebreak which he finally lost 7-2. He had lost the first tiebreak 7-5.

"I don't know what happened. I played two terrible tiebreaks," he said. "I feel like vomiting. That's how disgusted I am at

losing the match."

McEnroe refused to talk about the third set incident but Hlasek said he felt the American had influenced the netcord judge to raise his hand.

"I wanted to complain but I knew it wouldn't help me," he said. "People would just have gone crazy. What can you do?"

Hlasek said it was the best win of his career. "I was out there with 15,000 spectators against me and 3-5 down in the third, missed three match points and I still won," he said.

He meets another unseeded player Amos Mansdorf of Israel, who beat American Aaron Krickstein in straight sets, in the semifinal.

The other semifinal pits last year's finalists — defending champion Tim Mayotte and Brad Gilbert, both of the United States.

Second seed Mayotte had an easy 6-3 6-0 win over Andrei Chesnokov of the Soviet Union while Gilbert beat Guy Forget of France 7-6 6-2.

Nijssen wins Bergen Open

BERGEN, Norway, Oct. 29. (AP): Unseeded Tom Nijssen of the Netherlands outclassed No. 8 seed Grant Connell of Canada 6-3, 6-1 today to win the \$15,000 first prize in the \$75,000 Bergen Open tennis tournament. Connell won \$7,500.